

LONDON BOROUGH OF CROYDON

To: Croydon Council website
Access Croydon & Town Hall Reception

STATEMENT OF EXECUTIVE DECISIONS MADE BY THE CABINET MEMBER FOR CHILDREN YOUNG PEOPLE & LEARNING ON 24 JULY 2017

This statement is produced in accordance with Regulation 13 of the Local Authorities (Executive Arrangements) Meetings and Access to Information) (England) Regulations 2012.

The following apply to the decisions listed below:

Reasons for these decisions: are contained in the **attached** Part A report

Other options considered and rejected: are contained in the **attached** Part A report

Details of conflicts of Interest declared by the Cabinet Member: none

Note of dispensation granted by the head of paid service in relation to a declared conflict of interest by that Member: none

The Leader of the Council has delegated to the Cabinet Member the power to make the executive decisions set out below:

CABINET MEMBER'S DECISION REFERENCE NO. 2817CYPL

Decision title: Child Weight Management

The Leader of the Council has delegated to the Cabinet Member the power to make the decisions set out below.

RESOLVED:

Having carefully read and considered the Part A and B reports, including the requirements of the Council's public sector equality duty in relation to the issues detailed in the body of the reports, the Cabinet Member for Children, Young People and Learning in consultation with the Cabinet Member for Finance and Treasury has agreed:

1. To approve the award of contract for Child Weight Management to a provider for a term of 18 months with the option to extend for a further 12 months (maximum of 30 months), at a total contract value £525,000, as detailed in the associated Part B report.

2. To note that the name of the successful provider will be released once the contract award is agreed and implemented.

Notice date: 26 July 2017

REPORT TO:	Cabinet Member for Children, Young People and Learning 17th July 2017
AGENDA ITEM:	Investing in Our Borough PART A
SUBJECT:	Contract Award: Child Weight Management Services
LEAD OFFICER:	Barbara Peacock, Executive Director for People
CABINET MEMBER:	Councillor Alisa Flemming, Cabinet Member for Children, Young People and Learning and Councillor Simon Hall Cabinet Member for Finance and Treasury
WARDS:	All

CORPORATE PRIORITY/POLICY CONTEXT

Relevant Corporate objectives

Independence

- *To help people from all communities live longer, healthier lives through positive lifestyle choices*
- *To help families be healthy and resilient and able to maximise their life chances and independence*

“Weight problems usually start in childhood, but half of parents do not recognise their children are overweight. They can lead to health problems in later life including depression, diabetes and stroke”.
(Source: Corporate Plan 2015-18)

AMBITIOUS FOR CROYDON & WHY ARE WE DOING THIS: *refer to the current relevant manifesto document.*

The recommendation to award the contract supports the achievement of the administration’s ambition to enable children and families to live healthier lives and make positive lifestyle choices.

The contract will contribute to the achievement of the corporate objectives above. It will help prevent children becoming overweight, or obese by the service promoting the achievement of healthy weight via working with universal services such as, parks green spaces and leisure services, schools, GPs and others. The targeted weight management programme will help children who are already obese or overweight to achieve a healthy weight. Health problems in later in life will be therefore be reduced.

FINANCIAL IMPACT:

The three tender bids received have been evaluated on the basis of the Most Economically Advantageous Tender.

The new contract represents better value for money as a result of the following improvements:

- A higher volume of service and increased outcome targets will be achieved from a reduced budget
 - The annual cost of the service in 2017-18 is £222,000, and £210,000 in 2018-19, compared with a total annual budget of £235,000. This will result in £38,000 savings over the two years. £13,000 in 2017-18 and £25,000 in 2018-19.

- In addition, the contract has an element of Payment By Results. A proportion of the contract value will only be paid on the achievement of the following targets:
 - the number of children completing a weight management course, and;
 - the number of children achieving their weight target

The contractor will be paid for what they do for this element of the contract value so actual spend will depend on the targets achieved. There is a ceiling target for volume so there will be no risk of overspend.

- The recommended tenderer is signing up to the Premier Supplier Programme offering a 1% rebate.
- The recommended tenderer has submitted unit costs for the Payment By Results element that are 8.5% cheaper than the tenderer ranked second on price.

KEY DECISION REFERENCE NO.: N/A

The Leader of the Council has delegated to the nominated Cabinet Member the power to make the decisions set out in the recommendations below:

1. RECOMMENDATIONS

- 1.1 The Cabinet Member for Children, Young People and Learning in consultation with the Cabinet Member for Finance and Treasury is recommended to approve the award of contract for Child Weight Management to a provider for a term of 18 months with the option to extend for a further 12 months (maximum of 30 months) at a total contract value of £525,000, as detailed in the associated Part B report.
- 1.2 The Cabinet Member for Children, Young People and Learning is asked to note that the name of the successful provider will be released once the contract award is agreed and implemented.

2. EXECUTIVE SUMMARY

- 2.1 The purpose of this report is to advise members of Contracts and Commissioning Board and the Cabinet Member for Children, Young People and Learning in consultation with the Cabinet Member for Finance and Treasury of the procurement process for the Child Weight Management tender, the evaluation undertaken to select the Most Economically Advantageous Tender and recommends the award of the contract.
- 2.2 The contract will make a significant impact to promote healthy eating and lifestyles for children young people and their families. It will also help overweight children reduce their weight and adopt healthier habits through a targeted programme of weight loss with step down services to enable them to maintain progress.
- 2.3 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
CCB1255/17-18	07/07/2017

3. DETAIL

- 3.1 The procurement strategy, to undertake a competitive tender to select a provider to deliver a child weight management service to children aged 2 to 16 and their families, was agreed by CCB (CCB1209/16) on 01/03/2017.
- 3.2 The contract term will be for an initial term of 18 months commencing on 1st October 2017 with the possibility to extend for a further period/periods of up to 12 months (30 months in total), based on available budget, performance and need. The total contract value including the full 12 month extension period is £525,000.
- 3.3 The tender was advertised on The London Tenders Portal on 14th March 2017 and closed on 21st April 2017. A single-stage open tender procedure was followed in accordance with the Public Contract Regulations 2015 (PCR 2015).
- 3.4 A total of three (3) tender applications were received in response to the advertisement.

Initial compliance checks

- 3.5 Tenderers were required to meet a series of compliance checks before quality and cost evaluation could be undertaken. All three (3) tenderers met these compliance requirements.

Economic and financial standing

- 3.6 An Economic and Financial Standing check was under taken for each of the tenderers. Two (2) companies had moderate financial health scores and one (1) was rated good. All three (3) met the financial health requirements and were deemed acceptable that is; there is reasonable likelihood that each is capable of meeting the financial obligations anticipated under the contract.
- 3.7 All tenderers met the requirement under condition 58 (9) of the PCR 2015 in that their minimum yearly turnover does not exceed twice the estimated contract value.

Professional and technical experience

- 3.8 All tenderers have relevant experience and could show examples of previous relevant contracts.
- 3.9 All tenders proceeded to the technical and professional ability - quality and cost evaluation stage.
- 3.10 The evaluation criteria were published in the Invitation to Tender (ITT). Quality criteria were weighted at 60%/40% cost/volume.
- 3.11 The quality criteria and weightings were as follows:

Question number	Quality criteria	Maximum score points	Weighting %
1	Programme of service offered	5	13
2	Tailoring of service	5	10
3	Delivery of the service	5	8
4	Safeguarding	5	7
5	Quality Assurance	5	5

6	Monitoring Performance	5	4
7	Stakeholder engagement	5	4
8	Staff	5	4
9	Social Value	5	3
10	Premier Supplier programme	5	2
Total		50	60

3.12 The tender evaluation panel was made up of:

- The Senior Commissioning Manager Children’s Integrated Commissioning Team
- The Public Health Principal
- The School Food Improvement Officer

3.13 Each person individually scored the responses to the quality method statement questions. The score for each response were graded 0-5, 5 being an “excellent” score.

3.14 Tenderers were required to give a fair answer, i.e. a minimum score of 2 or more, for each response.

3.15 In addition, any submission that failed to reach the overall quality threshold of 25 marks prior to application of any weighting, which was deemed an overall ‘acceptable’ score, would be rejected and would not be considered further.

3.16 The evaluation panel met with the Category Manager and Procurement Officer to moderate and agree scores and identify any questions for clarification with the tenderers.

3.17 All tenderers passed the quality threshold and were each invited to a clarification meeting where more detail was sought on key aspects of the services. They were notified of the areas for clarification before the meeting. As a result scores for six of the 9 specific quality questions were further moderated up, or down, if necessary, according to the responses given/provided. The potential for moderated scores being adjusted was communicated to all tenderers prior to this meeting taking place.

Financial evaluation cost/volume

3.18 All tenders were assessed on their Cost/Volume submission. They submitted the volume of service that they would deliver for each of:

- the number of children completing and course (volume target)**and**
- the number achieving their weight targets (weight target)

3.19 The method used was as follows:

- A budget sum from the total available budget, was set for each ‘Payment By Results target’ for each financial year a sum of £20,475 for 2017-18 and £44,100 for 2018-19 for each volume and weight target. In order to assess the most competitive price for this element of the contract, tenderers were asked to submit their volume and weight targets for each year of the contract. A unit cost was then calculated by dividing the budget sums for PBR by the volume and weight target stated in the tender response document.
- The target volumes and unit costs determine what the contractor will be paid for this element of the contract. So for example: if the contractor delivers 300 children completing a course in a year they will be paid 300 x the unit cost; and if they achieve 250 children achieving their weight target they will be paid 250 x the unit cost Thus they will be paid for what they do

using the unit cost payment on achievement of these targets. This incentives achievement of the critical outcomes specified.

3.20 The Category Manager used the unit cost rate for 2018-19 to evaluate price as per the evaluation methodology, which was set out in the ITT, which was in summary:

- The evaluation formula was – $\{(lowest\ unit\ cost / unit\ cost\ being\ evaluated) \times 100\} \times 0.4 =$ price score for that bidder.
- Price is weighted at 40% and this was split into two components:
 - 20% weighting to the unit cost for course completers (Volume Target) and
 - 20% for the target of those achieving their weight target (Weight Target)

3.21 The total financial score is the sum of the two components above.

Final score

3.21 The final percentage score for each tenderer was calculated by adding the quality and cost/volume percentage scores. The highest combined score determined the recommended tenderer.

3.22. The outcome of the scoring is detailed in the associated Part B report.

4. CONSULTATION

4.1 Stakeholders were consulted on the development of the service specification prior to tendering.

4.2. To help scope the procurement a market engagement event was held in November 2016 prior to the tender going live.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 The costs associated with this contract will be funded from the Council's Public Health Budget and are as follows:

1 Revenue and Capital consequences of report recommendations [NOTE: do not split table over 2 pages]

	2017/18	2018/19	2019/20
	£'000	£'000	£000s
Revenue Budget available	235	235	210
Expenditure new contract	105	210	210
Existing contracts to 30.09.17	117		
Income			
Effect of decision from report			
Expenditure			
Income			
Remaining budget	13	25	0
Capital Budget available	N/A	N/A	
Expenditure			
Income			
Remaining budget			

2 The effect of the decision

A contract will be awarded for Child Weight Management to the provider for a term of 18 months with the option to extend for a further 12 months (maximum term of 30 months), at a total contract value £525,000. The contract will contribute to improved outcomes for children young people and their families.

The contract is better value for money because:

- A higher volume of service and increased outcome targets will be achieved from a reduced budget
 - The annual cost of the service in 2017 -18 is £222,000; and £210,000 in 2018-19; compared with a total annual budget of £235,000. This will result in £38,000 savings over the two years. £13,000 in 2017-18 and £25,000 in 2018-19.
- In addition, the contract has an element of Payment By Results. A proportion of the contract value will only be paid on the achievement of the following targets:
 - the number of children completing a weight management course, and;
 - the number of children achieving their weight target

The contractor will be paid for what they do for this element of the contract value so actual spend will depend on the targets achieved. There is a ceiling target for volume so there will be no risk of overspend.
- The recommended tenderer is signing up to the Premier Supplier Programme offering a 1% rebate

- The recommended tenderer has submitted unit costs for the payment by results element that are 8.5% cheaper than the tenderer ranked second on price.

3 Risks

There is a low risk that the contracted services do not contribute to the child weight management outcomes for the Borough. However, this will be mitigated by robust performance and contract management, which will be put in place. In addition, for the Payment by Results budget the provider will only be paid for delivery of the outcomes achieved.

There is a risk of the provider taking a long time to mobilise and provide the services required. This will be mitigated through active engagement and management during the mobilisation period.

TUPE may apply to staff from the outgoing provider. The recommended tenderer has demonstrated that they have considered how they will take this into account. Further assurances will be sought during mobilization that this has been addressed.

4 Options

Do nothing: Should this decision be taken, the Council would cease the commissioned programme of child weight management as the current contracts expire on 30th September 2017.

Extend the current contracts: there is no provision to extend when the contracts expire and to do so, would be non-compliant with the PCR 2015. It is also worth noting that the new contract is better value for money.

Award the contract: The recommendation is let the contract to the provider listed in the associated Part B report.

5 Future savings/efficiencies

The contract is better value for money because:

- A higher volume of service and increased outcome targets will be achieved from a reduced budget
 - The annual cost of the service in 2017 -18 is £222,000 and £210,000 in 2018-19 compared with a total annual budget of £235,000. This will result in £38,000 savings over the two years. £13,000 in 2017-18 and £25,000 in 2018-19.
- In addition, the contract has an element of Payment By Results. A proportion of the contract value will only be paid on the achievement of the following targets:
 - the number of children completing a weight management course, and;
 - the number of children achieving their weight target

The contractor will be paid for what they do for this element of the contract value so actual spend will depend on the targets achieved. There is a ceiling target for volume so there will be no risk of overspend.
- The recommended tenderer is signing up to the Premier Supplier Programme offering a 1% rebate
- The recommended tenderer has submitted unit costs for the payment by results element that are 8.5% cheaper than the tenderer ranked second on price.

There are no costs in switching provider. The Recommended Tenderer has demonstrated that they have considered how they will take this into account at no additional cost.

Approved by: Lisa Taylor Director of Finance, Investment and Risk (Deputy S151 Officer) 6th July 2017

6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 6.1 The Council Solicitor comments that the overall procurement process as detailed in this report meets the requirements of the Council's Tenders and Contracts Regulations and seeks to support its statutory duty to secure best value under the Local Government Act 1999.

Approved for and on behalf of Jacqueline Harris-Baker Acting Council Solicitor and Acting Monitoring Officer.

7. HUMAN RESOURCES IMPACT

- 7.1 This report does not raise direct HR considerations for Croydon Council staff at the contracts are being awarded to third party providers. However, recommendations from this report may involve service provision changes which may invoke the effects of the Transfer of Undertakings (Protection of Employment) 2006 Legislation (amended 2014). Where the activities of the new service are "fundamentally not the same", TUPE may not apply, as provided for by the 2014 amendments to the Transfer of Undertakings (Protection of Employment) 2006 Legislation.

- 7.2 Where the Council is not the employer the application of TUPE, or otherwise, would be determined between the service providers. The recommended tenderer has demonstrated that they have considered how they will take this into account. Further assurances will be sought during mobilization that this has been addressed.

Approved by: Debbie Calliste, Head of HR – People department lead, on behalf of the Director of Human Resources)

8. EQUALITIES IMPACT

- 8.1 An equalities impact assessment has been undertaken as part of the wider public health assessment regarding weight management for all ages. This contract expects the provider to particularly address the needs of children and young people from Black, Asian and Minority Ethnic groups and those living in deprived communities.

9. ENVIRONMENTAL IMPACT

- 9.1 There are no adverse environmental impacts arising from this report.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no adverse crime and disorder impacts arising from this report.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 Awarding the contract will make a significant impact to promote healthy eating and lifestyles for children young people and their families. It will also help overweight children reduce their

weight and adopt healthier habits through a targeted programme of weight loss with step down services to enable them to maintain progress. The new contract will be better value for money.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 **No Nothing:** Should this decision be taken, the Council would cease the commissioned programme of child weight management as the current contracts expire on 30th September 2017.
- 12.2 **Extend the current contracts:** there is no provision to extend when the contract expire on 30th September 2017 and to do so, would be non-compliant with the PCR 2015. The new contract is better value for money.

CONTACT OFFICER:

Name:	Sally Wadsworth
Post title:	Category Manager Early Help and Child Health
Telephone number:	0208 726 6000 X 61173

BACKGROUND PAPERS - LOCAL GOVERNMENT ACT 1972

[For executive decision making it is a requirement that all Part A (open) reports & Part B reports (closed) must list and provide an electronic and a printed copy of all background reference.]

There are none.

APPENDIX (if appropriate). If listed, these will be printed/published with the Part A report
There are none.