

**CABINET PROCUREMENT & INSOURCING COMMITTEE**

**BUSINESS CASE (INSOURCING OR OUTSOURCING DECISION)**

<b>Title of Report</b>	Stop Smoking Service Procurement
<b>Key Decision No.</b>	AHI S176
<b>CPIC Meeting Date</b>	4th September 2023
<b>Classification</b>	Open
<b>Ward(s) Affected</b>	All wards
<b>Cabinet Member</b>	Cllr Kennedy, Cabinet Member for Health, Adult Social Care, Voluntary Sector and Leisure
<b>Key Decision</b>	Yes <hr/> <b>Reason</b> Affects two or more wards
<b>Group Director</b>	Helen Woodland, Group Director for Adults, Health and Integration
<b>Contract Value, <u>both</u> Inclusive of VAT and Exclusive of VAT (for the duration of the contract including extensions)</b>	£4m Core Service Spending  Up to £500k of central government funding to be allocated towards Optional Additional Work Packages (estimated figure for the lifetime of the contract)
<b>Contract Duration (including extensions e.g. 2 yrs + 1 yr + 1 yr)</b>	5 Years (3 + 1 + 1)

## 1. **Cabinet Member's Introduction**

- 1.1. This report requests the authority to recommission the City and Hackney Stop Smoking Service for a further 5 years from the 1st of July 2024. This is in line with the scheduled end date of the current City and Hackney Stop Smoking Service and the recommissioning will ensure continuous delivery of a vital service for City and Hackney residents.
- 1.2. The recommissioning process has involved a review of the latest evidence and best practice guidelines, analysis of local data, a detailed review of current service performance, benchmarking against comparable services elsewhere, resident and stakeholder engagement and co-design of a new service - under the steer of the local Tobacco Control Alliance (TCA), which it is my pleasure to chair. As a result of this process, savings have been identified and the updated service spec has undergone numerous changes/improvements including:
  - reducing the minimum age of accessing the service from 18 to 12
  - incorporating nicotine containing e-cigarettes as a treatment option for over 18s
  - a strengthened community outreach and engagement function to focus more explicitly on reducing inequalities in smoking behaviours and tobacco-related harms
  - a fully flexible model that meets the needs of all smokers, including strengthening and extending ongoing support for people to reduce relapse and remain smoke free
  - access to harm reduction approaches for those motivated to reduce their tobacco use but not yet ready to quit
- 1.3. This recommissioning exercise is in line with the [Hackney Labour 2022-26 manifesto](#) ambition for Hackney to be 'smoke free' (i.e. smoking prevalence of 5% or less) by 2030, as part of a healthy, happy and thriving Hackney. An effective Stop Smoking Service will contribute significantly to this ambition as part of a comprehensive local tobacco control plan, led by the local TCA.

## 2. **Group Director's Introduction**

- 2.1. Smoking remains one of the leading causes of preventable death and disease in the UK and the main driver of health inequalities.
- 2.2. Recommissioning the City and Hackney Stop Smoking Service will ensure continuity in the delivery of a service which is vital to improving health outcomes and reducing health inequalities in Hackney and the City. This activity involves the review, co-design and award of a new Stop Smoking

Service via a competitive tendering process, which will ensure the service is appropriate to the current need and public health policy context within Hackney and the City.

- 2.3. The Stop Smoking Service is a core element of the City and Hackney Public Health service offer, and significantly contributes towards the improvement of several key indicators in the Public Health Outcomes Framework and wider national public health policy objectives (including the recommendations of the independent Khan Review, *Making Smoking Obsolete*). There have also been a number of changes to the context in which the service will be procured (funding for tobacco dependency treatment for inpatients within NHS trusts and maternity services, developments with vaping and prescribable medications, increased pressures on related services and new ways of working following COVID-19) which have been accounted for in the service review and design work as part of this recommissioning process.
- 2.4. The new service offer has been co-designed with residents and partners, in line with the latest NICE guidance (published in November 2021), which continues to recommend behavioural support plus medication (now including nicotine-containing e-cigarettes) as the most effective way to support smokers to quit, with support tailored to the specific needs of individual smokers. The new service will integrate with new NHS tobacco dependency treatment pathways to ensure a seamless offer of support to quit at a time and place that suits all smokers.

### 3. Recommendations

**Cabinet Procurement and Insourcing Committee is recommended to:**

- 3.1. **Agree the commissioning of the City and Hackney Stop Smoking Service for a period of up to five (5) years (3+1+1) beginning 01/07/2024 at a maximum value of £4m (Option number 4 in section 6). This will include within this financial envelope, a budgeted amount of £80,000 per annum for an insourced PO7 post to provide an enhanced community engagement function and work with the provider to develop partnerships with high prevalence and high risk communities.**
- 3.2. **Such commissioning shall include the option to award further funding to the successful bidder of up to £500k (in total, over the lifespan of the contract, depending on allocation from central government) for optional additional work packages to deliver national initiatives. The potential scope of these work packages is described in section 6.5.7 below.**

#### 4. **Related Decisions**

- 4.1. A one year extension to the current service ending 30/06/2024 was already approved and in place in order to allow this recommissioning to take place, the key decision number for this decision was AH1 S149.

#### 5. **Strategic and Policy Context**

- 5.1. The newly designed City & Hackney Stop Smoking Service will deliver evidence-based, high quality, flexible and targeted provision to meet local need. In doing so, it will contribute to improving the following indicators for City and Hackney in the [Public Health Outcomes Framework for England 2019 - 22](#):

Domain C: *Health Improvement*:

- C06 Smoking status at time of delivery
- C13 Smoking prevalence at age of 15
- C18 Smoking prevalence – adults (over 18s)

Domain E: *Healthcare public health and preventing premature mortality*:

- E03 Mortality rate from causes considered preventable
- E04 Under 75 mortality rate from cardiovascular disease (including heart disease and stroke)
- E05 Under 75 mortality rate from cancer
- E07 Under 75 mortality rate from respiratory diseases

- 5.2. In 2019, the government published its green paper on preventative health; [Advancing our health: prevention in the 2020s](#). Here, it announced an ambition for England to become 'smoke-free' by 2030 – achieved when adult smoking prevalence falls to 5% or less. Several recommendations have been made to support this pledge which include providing specialist support (such as this community Stop Smoking Service) to help people quit, focusing on groups with higher smoking rates. Hackney Council has also included in its [manifesto](#) a pledge to support the same 'smoke-free 2030' aim. The options appraisal for this service also considers the manifesto's in-sourcing commitment, with an option that proposes to bring in-house a dedicated community engagement post to work alongside the contracted provider and local communities. This will help deliver on the new service's priority objective to reduce inequalities in tobacco related harm. In delivering on this key objective, service delivery will be underpinned by anti-racist and trauma informed practice, in line with Hackney Council's new strategic plan.

- 5.3. The new service offer (as part of a wider tobacco control strategy) will also contribute to delivery of some of the key recommendations from the Khan review, [Making smoking obsolete](#) (June 2022). This independent review assessed whether the government will be able to achieve its ambition to make England smokefree by 2030. The report found that “without further action, England will miss the smokefree 2030 target by at least 7 years, and the poorest areas in society will not meet it until 2044”. The review makes 15 recommendations for the government to take action on to achieve a smokefree society, including four ‘critical’ recommendations: urgently increase investment including in Stop Smoking Services; offer vaping as a substitute for smoking; raise the age of sale for tobacco by one year every year; and greater prioritisation of prevention in the NHS, with further action to treat tobacco dependence. A key recommendation for local implementation is to continue to prioritise stop smoking interventions, setting targets and commissioning services to ensure they are achieved.
- 5.4. In April 2023, the government responded to the recommendations of the Khan review, with a number of announcements that will be relevant to the new Stop Smoking Service, including roll-out of a national ‘Swap to Stop’ scheme to support one million adult smokers to quit by switching to vaping and that pregnant women will be offered financial incentives to help them quit smoking. The new service will need to be flexible to these wider developments, to ensure we make the best use of all available resources to reduce the harms of smoking in City and Hackney.
- 5.5. In January 2022, Action on Smoking and Health (ASH) published guidance on 10 ‘high impact’ areas for local action to continue to drive down smoking prevalence in communities and reduce the many health, social and economic costs of smoking (see section 6.1 below). The [ASH 10 high impact areas](#) are as follows:
1. Prioritise health inequalities
  2. Work in partnership
  3. Support every smoker to quit
  4. Communicate the harms and the hope
  5. Promote harm reduction
  6. Tackle illicit tobacco
  7. Promote smokefree environments
  8. Enable young people to live smokefree
  9. Set targets to drive progress
  10. Protect and promote progressive tobacco control policy
- 5.6. Redesigning and recommissioning a targeted, evidence-based Stop Smoking Service supports achievement across a number of these high impact areas (notably supporting every smoker to quit).

5.7. The new service will have a strong focus on working in partnership with local communities to reduce smoking-related health inequalities - putting our residents first, supporting delivery of the council's new strategic plan.

## 6. Options Appraisal and Business Case (reasons for decision)

6.1. There are four options relating to the future of the City and Hackney Stop Smoking Service (SSS) that have been considered in this business case and are set out below. It is essential to first understand the wider context in which these options have been considered.

- Smoking is the primary cause of preventable illness and premature death, accounting for approximately 74,600 deaths a year in England, and the leading cause of health inequalities, accounting for half the difference in life expectancy between the richest and poorest areas.<sup>1</sup>
- Evidence shows at least one in two long term smokers will die from a smoking-related disease,<sup>2</sup> but that risk may now be as high as two in three.<sup>3</sup>
- The annual societal costs of smoking in Hackney are estimated at over £100m each year (equivalent data for the City are not available). These costs are spread across health services, local authorities (accounting for an estimated 8% of all paid home and residential care costs) and the fire service - but the most significant costs are in lost productivity due to smoking-related ill-health. In the context of the current cost of living crisis, it is particularly important to recognise and address the impacts of smoking in driving people into poverty, estimated to affect almost 3,000 households locally each year.<sup>4</sup>
- Smoking interventions are the most cost effective (often cost 'saving') of all public health interventions and have the greatest impact on reducing health inequalities (along with domestic violence prevention).<sup>5</sup>

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<sup>1</sup> Estimated premature deaths for each jurisdiction are as follows: England – 74,600; Scotland – 9,360; Wales – 5,600; N. Ireland – 2,300. Sources [Smoking-related ill health and mortality NHS Digital: Statistics on Smoking, England 2020](#) (Table 1.4 & 1.5); [Public Health Wales- Smoking attributable deaths](#) (2019/20); [Scottish Public Health Observatory \(ScotPHO\). Registrar General Annual Report Northern Ireland Statistic and Research Agency](#)

<sup>2</sup> The Doctors Study” (Doll R, Peto R, Wheatley K, Gray R, Sutherland I. [Mortality in relation to smoking: 40 years observations on male British doctors](#). British Medical Journal 1994; 309:901-911).

<sup>3</sup> The Khan review – “[Making smoking obsolete](#)”. [Independent review commissioned by the UK Government into smokefree 2030 policies](#), Dr Javed Khan OBE, Published 9 June 2022

<sup>4</sup> [Up in smoke: how tobacco drives economic and health inequalities](#). International Longevity Centre (ILC). 2021.

<sup>5</sup> [Making the case for prevention](#). University of Cambridge. 2021

- Smoking is highly addictive, with two thirds of those who try smoking going on to become daily smokers. Smokers who access an evidence-based stop smoking service are three times more likely to quit than those who go it alone.
- According to data from the Annual Population Survey in 2021, smoking prevalence in Hackney amongst adults (age 18+) was 14.2%, higher than our 15 'statistical neighbours'.<sup>6 7 8</sup> Equivalent data are not available for the City.
- Adult smoking prevalence in Hackney has fallen since the existing service started in 2018, from 14.8% to 14.2% in 2021. Applying 2021 estimated prevalence to the local population equates to approximately 30,000 adults (age 18+) still smoking in Hackney.<sup>9</sup>
- City and Hackney currently has a single Stop Smoking service contract with Whittington Health. This includes a subcontracting arrangement with the GP Confederation, SLAs between Whittington Health and individual community pharmacies and a directly delivered community outreach service. The service also delivers training to partners (very brief advice and specialist stop smoking advisor training). This contract is currently due to finish at the end of June 2024.

## 6.2. **Option 1 - End the service at the currently scheduled end date of 30/06/2024 and do not commission a new Stop Smoking Service**

- 6.2.1. This option considers the implications of ceasing the Stop Smoking Service in City and Hackney.
- 6.2.2. Whilst this provides a saving to the council, it does not give full consideration to the context set out in 6.1 above and the evidence of significant need related to tobacco-related harm and associated health inequalities. This option will remove access to a much needed evidence-based service for the tens of thousands of people who still smoke in City and Hackney.

## 6.3. **Option 2 - Reprocurring the Stop Smoking service based on the current service model and specification**

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<sup>6</sup> Statistical neighbours are local authorities that share the most similar socio-economic characteristics to Hackney. City of London comparisons are not currently available.

<sup>7</sup> [Smoking habits in the UK and its constituent countries. The Office for National Statistics \(ONS\) 2022](#)

<sup>8</sup> Note that the difference in smoking prevalence across the local authorities are not 'statistically' significant due to wide confidence intervals caused by small sample sizes and the data manipulation required to turn the APS results into population wide prevalence figures. An alternative dataset (based on GP records) does, however, demonstrate statistical significance and paints a similar picture, with Hackney second in the rankings after Haringey and higher than all other 'similar' local authorities.

<sup>9</sup> It should also be noted that the methodology for collecting this data has changed recently, which means it may not be comparable to previous years ([Fingertips data](#), 2020).

- 6.3.1. This option considers reprocurring the Stop Smoking Service based on the current model and specification that is already in place.
- 6.3.2. The existing Stop Smoking Service performs well for clients who attend the service; Hackney's outcomes ranked 3rd out of 16 in 2020 when compared to its statistical neighbours for both "smokers setting a quit date" and for "self-reported successful quits at 4 weeks".<sup>10,11</sup> Hackney's performance against these national smoking indicators is also consistently above the England average.
- 6.3.3. Whilst the service delivers a strong package of support to the clients who attend, it has been less successful in attracting referrals from some high risk groups/high prevalence communities (including pregnant/postpartum women, smokers from the Turkish/Kurdish community and those in routine and manual occupations) (see appendix 1 for full list of priority groups).
- 6.3.4. The main (Hackney) service began in July 2018 and City of London joined to create an integrated service in April 2021 (following very poor performance under previous contractual arrangements in the City). However, since the outset, the City element of the service has continued to underperform and a recovery plan has been put in place for the final year of the contract. It is proposed that the successful elements of this recovery plan are carried through into the new service .
- 6.3.5. In addition, since the start of the existing service in 2018, new guidance has been published by National Institute for Health and Care Excellence (NICE) on preventing smoking uptake, promoting quitting and treating dependence.<sup>12</sup> This guidance includes several new recommendations including lowering the age threshold of a Stop Smoking Service from 18 to 12 and incorporating nicotine-containing e-cigarettes as a treatment option for over 18s.
- 6.3.6. Also, since the current service began, the NHS Long Term Plan was published (in 2019), which provided NHS funding for tobacco dependency treatment for inpatients within acute and mental health trusts, as well as maternity services. These wider system changes will have an (as yet unknown) impact on the community stop smoking provision. The existing Stop Smoking Service, commissioners and NHS providers are working closely together to ensure alignment of local pathways and effective continuation of treatment following discharge from hospital. This new NHS provision is not reflected in the current service specification and therefore adjustments are needed to ensure referral pathways remain transparent, effective and safe for service users.

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<sup>10</sup> [Local Tobacco Control Profiles for Hackney and CPFA nearest neighbours \(2021\)](#)

<sup>11</sup> [Local Tobacco Control Profiles for Hackney and CPFA nearest neighbours \(2021\)](#)

<sup>12</sup> [NICE guideline \[NG209\] Tobacco: preventing uptake, promoting quitting and treating dependence 2021](#)



6.3.7. Local data and insight gathered as part of the co-design process point to a number of improvements and enhancements to the service model that would better meet the needs of local people. These include:

- a strengthened community outreach and engagement function to work in a more targeted way with residents most at risk from the harms of tobacco
- strengthening and extending ongoing support for people to reduce relapse and remain 'smokefree'
- increase access to harm reduction approaches for those motivated to reduce their tobacco use but not yet ready to quit in one go

Continuing with the existing model would not provide the flexibility to improve the service in line with these insights.

#### **6.4. Option 3 - Recommission a new Stop Smoking Service based on a redesigned service model and specification**

6.4.1. This option considers recommissioning a new Stop Smoking Service based on a redesigned service model and specification.

6.4.2. As outlined in option 2, new NICE guidance (published in 2021), analysis of the most recent data and new local insights, as well as new funding for hospital-based tobacco dependency treatment services, point to a number of improvements and enhancements that will better meet the needs of local people. Incorporating these elements (see 6.3.5 and 6.3.6 above) would require a re-designed Stop Smoking Service to be commissioned.

6.4.3. In addition, due to difficulties in estimating service demand from the large transient City worker population (approximately 587,000 workers are based in the City of London in 2023, with high estimated prevalence of smoking, but historically low uptake of stop smoking services), a more flexible model is required.<sup>13 14</sup>

6.4.4. Whilst this option considers the latest evidence and insight available for City and Hackney, this fully outsourced Stop Smoking Service model does not give full regard and commitment to the Hackney Labour Manifesto 2022-26 to review all outsourced services, with a view to bringing them in-house. A fully outsourced option would exclude some of the key advantages to insourcing particular elements of this service, as detailed in option 4 below.

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<sup>13</sup> City of London Corporation (2023) [City of London Factsheet](#)

<sup>14</sup> To provide additional capacity as needed, it is proposed that the City re-joins the London Smoking Cessation and Tobacco Control Programme, to provide access to the virtual support offered via this programme's Stop Smoking London portal. The cost of membership of this programme (approximately £1,000) will be met out of a separate budget and is not included in the budget for the new service.

**6.5. Option 4 - Recommission a new Stop Smoking Service based on a redesigned service model and specification including an insourced service element**

6.5.1. This option considers recommissioning a new Stop Smoking Service based on a redesigned service model and specification including an insourced service element.

6.5.2. This option would seek to incorporate the latest evidence and best practice guidelines, as well as insights that have been gathered from resident and stakeholder engagement and data analysis (see option 2). For completeness the changes proposed for the new service are repeated/collated below.

- Incorporate the latest guidance from NICE including lowering the age threshold from 18 to 12, continuing to offer behavioural support plus medication (now including nicotine-containing e-cigarettes for over 18s only) as the most effective way to support smokers to quit, with support tailored to the specific needs of individual smokers
- Integration/alignment of community and hospital-based stop smoking and tobacco dependency treatment service pathways.
- Strengthening and extending ongoing support for people to reduce risk of relapse and remain 'smokefree'.
- Increase access to harm reduction approaches for those motivated to reduce their tobacco use but not yet ready to quit in one go.
- Specify a revised model for the City element, including new activity targets (and corresponding adjustment to the City contribution to the service budget - see savings section 6.16), as well as additional capacity provided through the virtual [Stop Smoking London portal](#) (available through membership of the London Smoking Cessation and Tobacco Control Programme, funded separately).
- **Insourcing of an enhanced community engagement function**, through recruitment of a dedicated officer to be hosted by Hackney Council. It is proposed this would be a PO7 post and the budgeted amount for this is £80,000 per annum, which is included within the £800,000 financial envelope for this service. This community engagement officer will work alongside the contracted provider and develop close partnerships with key local high risk/high prevalence communities, building on the successes of the Public Health Community Champions programme. This partnership approach will aim to ensure the service is flexible to the wider needs of priority groups, helping to deliver on the new service's priority objective to reduce inequalities in tobacco related harm. The full scope of work for the insourced community engagement officer will evolve in

response to community and service needs, but is expected to include:

- working with the service provider to build capacity in community organisations to deliver stop-smoking advice directly
  - supporting the co-development of tailored communications and targeted outreach to promote the service
  - building/strengthening relationships between high risk/prevalence communities and the service provider to maximise responsiveness and reach of the service
  - gathering insight from people in these communities to support ongoing service improvement and co-design to better meet the needs of smokers in City and Hackney.
- Inclusion of a ringfenced outreach and engagement budget of £50k per year, to fund community partners to support the work with priority groups described above. This fund is part of the overall service budget and would be held and distributed by the provider. The provider will be required to work in close partnership with the insourced community engagement officer to co-design an approach for allocating this funding that is proportionate, fair and transparent.

6.5.3. This proposed new service would replace all existing provision (including community outreach, GP and pharmacy based Stop Smoking Services) and integrate with new NHS tobacco dependency treatment pathways. The new service proposals will build on learning from the coronavirus pandemic in seeking to work in partnership with the voluntary and community sector; co-designing and implementing a flexible service offer that meets the needs of those who would benefit the most, within communities where tobacco harms are high, but uptake of local Stop Smoking Services has historically been low.

6.5.4. The evaluation and design work has considered options for taking an holistic approach to supporting people to address multiple health risks and address wider needs that affect people's smoking behaviour. It has considered the most appropriate delivery model for achieving the priorities for the new service (such as a single integrated service, lead provider network or multiple contract lots and insourced provision - see section 9.4).

6.5.5. Following a detailed benchmarking exercise, (see section 6.15), it is proposed that the budget for the new service, whilst including the new/enhanced elements outlined above, can be reduced (see savings proposals in section 6.16).

6.5.6. A recent announcement from the Department of Health and Social Care has set out that "one million smokers will be encouraged to swap

cigarettes for vapes under a pioneering new ‘Swap to Stop’ scheme designed to improve the health of the nation and cut smoking rates. Pregnant women will also be offered financial incentives to help them quit as part of a sweeping package of measures to cut smoking rates in England.”<sup>15</sup>

6.5.7. At the time of writing, there has been no further detail on when or how these national initiatives will be implemented, nor how the funding for delivery will be disseminated to local areas. However, it is expected that these initiatives will be rolled out during the lifetime of the new Stop Smoking Service and it is anticipated that up to £500k in total will be received for local delivery across the life of the new contract. These will be additional ‘work packages’ that the provider would be expected to deliver as part of the Stop Smoking Service contract, were the funding to become available.

**6.6. From the options appraisal above, option 4 is recommended.**

**6.7. Benefits Realisation and Lessons Learnt**

6.7.1. The current contract is managed by the tobacco control lead and commissioning lead in the form of monthly and quarterly meetings with the Stop Smoking Service provider. Monthly meetings include general service updates and quarterly meetings consist of benchmarking performance against the KPIs. Any issues that arise in between meetings are addressed with the provider.

6.7.2. Where consistent areas of underperformance have been identified, most notably in the City element of the service, a recovery plan was put in place and is reviewed on a monthly basis by representatives of the provider, Public Health and the City of London. The City KPIs (and budget) were reduced for the final year of the current contract (2023/24) in line with ongoing underperformance and assessment of lower than anticipated demand (based on extensive engagement with a range of stakeholders). The budget for City activity was reduced accordingly.

6.7.3. A full review of the current service model was undertaken to inform the design of the new Stop Smoking Service. As mentioned previously, for those who access the service, outcomes are very positive - quit rates are well above the national standard of 35% (commonly achieving or exceeding 60% over the life of the contract) and the service consistently receives positive feedback from service users. However, there are gaps in the reach of the current service with certain high risk groups and high prevalence communities (including Turkish/Kurdish smokers and those in routine and manual occupations) under-represented. The new service aims to address this through a strengthened focus on addressing inequalities in uptake, through a fully flexible service model,

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<sup>15</sup> Department for Health and Social Care and Neil O’Brien MP (2023): [Smokers urged to swap cigarettes for vapes in world first scheme](#)

insight-informed tailored and targeted communications, plus a dedicated outreach and engagement function (see 6.5.2).

6.8. **Preferred Option**

6.8.1. The preferred option for this service is **Option 4: Recommission a new Stop Smoking Service based on a redesigned service model and specification including an insourced service element.**

6.8.2. This option:

- builds upon the good performance of the existing service
- takes account of the findings of recent data analysis, service and stakeholder engagement and NICE recommendations.
- aligns with the [Hackney Labour Manifesto 2022-26](#) to review all outsourced services with a view to bringing them in-house (Further details on the benefits of a hybrid insourced/outsourced model can be found in [Appendix 2: Insourcing/Outsourcing Options Appraisal \(Stop Smoking Service\)](#))
- reduces the overall budget following a detailed benchmarking exercise
- takes account of future national government funding expected during the lifetime of this contract.

6.8.3. Whilst this option provides savings when compared to the existing budget, expenditure to deliver this service would still be required (when compared to Option 1).

6.9. **Alternative Options (considered and rejected)**

Option	Advantages	Disadvantages
<p><b>Option 1:</b> End the service at the currently scheduled end date of 30/06/2024 and do not commission a new Stop Smoking Service</p>	<p>Provides an efficiency against the PH grant</p>	<p>Will remove an essential service from the already high number of tobacco users locally, and will have a detrimental impact on population health and further exacerbate health inequalities across City and Hackney.</p> <p>Fails to take account of</p>

		local and national policy commitments on smoking and inequalities.
<b>Option 2:</b> Reprocurer the Stop Smoking service based on the current service model and specification	Maintains the status quo of a service that is effective in helping people stop smoking	Does not account for the findings of recent data analysis, service and stakeholder engagement and NICE recommendations - in particular actions needed to reduce inequalities in the harms from smoking.
<b>Option 3:</b> Recommission a new Stop Smoking Service based on a redesigned service model and specification	Builds upon the good performance of the existing service and takes account of the findings of recent data analysis, service and stakeholder engagement and NICE recommendations.	Does not give full regard and commitment to the Hackney Labour Manifesto 2022-26 to review all outsourced services, with a view to bringing them in-house.  Fails to fully build on the learning from COVID-19, including the Public Health Community Champions programme, about working in closer partnership with communities to improve population health.

## 6.10. **Success Criteria / Key Drivers / Indicators**

- 6.10.1. In 2021 smoking prevalence among adults in Hackney was 14.2% (APS, 2021) which is approximately 30,000 smokers. NICE guidance NG209 recommends that a Stop Smoking Service should aim to treat 5% of the number of tobacco users in its local population.<sup>16</sup> Based on the estimated number of adult smokers in 2021, this would require the service to support up to 1,500 smokers in Hackney to set a quit date
- 6.10.2. It is more difficult to arrive at a definitive target number of people setting a quit date in the City, as there is uncertainty about the underlying demand for a stop smoking service among the large City worker population. Based on performance to date in the existing service and what we know about resident smoking prevalence, we believe a realistic (yet stretching) target is for the new service to support 100 City smokers (residents and workers combined) to quit each year. This will be reviewed at the end of Year 1 of

<sup>16</sup> [NICE guideline \[NG209\] Tobacco: preventing uptake, promoting quitting and treating dependence 2021](#)

the contract and additional capacity will be made available via the [Stop Smoking London portal](#) as needed (see section 6.5.2).

6.10.3. The key quality standard for local stop smoking services is the '4 week quit', i.e. the percentage of people who set a quit date who have stopped smoking within a four week period.<sup>17</sup> The new service will be required to achieve at least 45% on this standard, with a stretch target (incentivised via an activity related payment) of 55%. NICE recommends that services should achieve a 4 week quit rate of at least 35%, which has been consistently exceeded locally.

6.10.4. Therefore, the overall ambition for the City and Hackney Stop Smoking Service is to treat 1600 smokers and to achieve a minimum of 720 successful quits per year (3,600 quits over the full life of the contract).

### 6.11. Whole Life Costing/Budget

6.11.1. The total maximum contract value over the 5 year period will be £4m of which £250k will be contributed by the City of London.

6.11.2. The annual contract value of the service will be £800k (including a £50k annual contribution from the City) over a period of 5 years (3 + 1 + 1 years). See table below for further details.

<b>Stop Smoking Service</b>			
LBH/CoL	Current Contract Annual Value	Proposed New Annual Contract Value	Contract Efficiencies realised
LBH	£833,010	£670,000	(£163,010)
CoL	£91,261	£50,000	(£41,261)
<b>Total</b>	<b>£924,271</b>	<b>£720,000</b>	<b>(£204,271)</b>
LBH insourced contract element (staff cost)	£0	£80,000	£80,000
<b>Total</b>	<b>£924,271</b>	<b>£800,000</b>	<b>(£124,271)</b>

6.11.3. Following recent central government announcements of new national initiatives to support smokers to quit (see section 6.5.6), the service

<sup>17</sup> Specifically defined as a treated smoker who reports not smoking for at least days 15–28 of a quit attempt and is followed up 28 days from their quit date (-3 or +14 days). (Russell Standard).

specification has been written to include additional work packages for the use of any future funding made available for local implementation. Detailed budgets and timescales are not available at this stage, but this funding is expected to be rolled out during the lifetime of the proposed new Stop Smoking Service. We have assumed that a maximum of £500k will be made available for local delivery of these national initiatives over the lifetime of the new service contract.

## 6.12. **Consultation/Stakeholders**

- 6.12.1. Extensive stakeholder and resident engagement was undertaken to inform the design of the new Stop Smoking Service. This included interviews, focus groups, workshops and meetings with the Tobacco Control Alliance (which includes membership from across the NHS and local authorities), the current Stop Smoking Service providers, wider primary care colleagues, VCS partners and ex service users.
- 6.12.2. As part of the service redesign process, a draft version of the new service model was presented at the Tobacco Control Alliance meeting in March 2023. This model was reviewed by topic experts in the context of new NICE guidance and the updated local data and insights. This process produced numerous proposed improvements to the service model such as lowering the age threshold for 12, including e-cigarettes as a first line treatment for over 18s, and strengthening pathways and patient flows between NHS tobacco dependency services and local authority community stop smoking services.
- 6.12.3. A number of residents from priority groups were involved in the co-design process to gather their views on barriers and drivers to accessing a Stop Smoking Service. This insight was used to further develop the new service model and specification, including measures to overcome language barriers, working with local businesses to reach low paid workers in particular, and lowering the age threshold to encourage young people to access stop smoking support and raise awareness of the harms of smoking.



6.13. Risk Assessment/Management

Risk	Likelihood	Impact	Overall	Action to avoid/mitigate risk
<p>The scale and specialist nature of this service means there are a limited number of suitably qualified providers</p>	<p>Low ▾</p>	<p>Medium ▾</p>	<p>Low ▾</p>	<p>Pre-market engagement has been completed including a “meet the buyer” event and research into the current local and national market for similar services.</p> <p>A Prior Information Notice has been issued alerting the market to this opportunity.</p>
<p>Those eligible for this service will not engage with it</p>	<p>Medi... ▾</p>	<p>Medium ▾</p>	<p>Medium ▾</p>	<p>The service will be specifically designed to be flexible to meet the diverse needs of smokers, with a particular focus on high risk and high prevalence groups.</p> <p>We have added a specific community engagement and outreach service element to mitigate this risk through targeted work with priority groups.</p>
<p>Uncertainty over the future and impact of implementation of NHS tobacco dependency treatment services. This could increase (or potentially decrease) demand for the community Stop Smoking Service</p>	<p>Medi... ▾</p>	<p>Medium ▾</p>	<p>Medium ▾</p>	<p>This risk will be mitigated by continued close working with NHS delivery partners to establish/cement integrated referral and care pathways to support smokers to quit</p>

#### 6.14. **Insurance**

6.14.1. The service area is working with the Council's in-house Insurance Services team and the provisional requirements for insurance to be held by the preferred supplier are as follows:

- Public Liability Insurance - £5m minimum level of indemnity
- Professional Indemnity - £2m minimum level of indemnity
- Employers Liability - As required by law

#### 6.15. **Market Testing (lessons learnt/benchmarking)**

6.15.1. Neighbouring local authority Public Health teams that have recently recommissioned their Stop Smoking Services report strong interest in recent tendering exercises from local and national providers.

6.15.2. A 'Meet the Buyer' event took place in June 2023. The event outlined our proposals for the service and the slides were shared with all local providers and those who registered an interest. An announcement was also posted on the Pro Contract portal. Over 40 people signed up to the event from approximately 20 different organisations, which provides some confidence that this procurement exercise will be appealing to potential suppliers.

6.15.3. To ensure this proposal offers an effective service in terms of cost and outcomes, a benchmarking exercise has been undertaken with Hackney's 15 closest 'statistical neighbours'.

6.15.4. It is important to exercise caution when making these comparisons, however, as we cannot be confident that we are comparing like-with-like (e.g. both local financial reporting procedures and service delivery models are likely to vary quite significantly between areas). Moreover, we have only been able to undertake benchmarking for Hackney, as data for the City are not available (spend data is combined with Hackney and outcome data is not reported for the City).

6.15.5. Nevertheless, our analysis has shown that, while the totality of Hackney spend on stop smoking services is relatively high, so is smoking prevalence and years of life lost due to smoking related illness. On the basis of the most recent available data (full year 2021/22), the City & Hackney Smokefree service appears to offer good value for money - the 'cost per quit' (£642) is below both the mean (£973) and median (£717) of our nearest (statistical) neighbours.<sup>18</sup>

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<sup>18</sup> Reported cost per quit varied widely across our nearest neighbours, from £235 (Hammersmith & Fulham) to £2,935 (Brent). Hackney ranks 9th out of 14 boroughs (data was missing for Southwark and Ealing).

## 6.16. **Savings**

6.16.1. Following a detailed benchmarking exercise (see section 6.15) and review of current performance data, the service redesign process has identified annual contract savings of £124,271 that will be delivered as part of this reprocurement. This amounts to £621,355 of contract savings released over the full (5 year) lifetime of the new contract (£415,050 contract savings to Hackney specifically). The LBH budget saving from this re-procurement is £83,010 or 10% of the current budget (833,010-£750,000).

## 6.17. **Income Generation**

6.18. Not applicable to this service

## 7. **Sustainability Issues and Opportunities, Social Value Benefits**

### 7.1. **Procuring Green**

7.1.1. The majority of the processes involved in this service will be carried out and administered electronically, thereby reducing the consumption of paper by the service. The service will deliver a hybrid model of online and in person support. Where in person meetings take place, active/ environmentally friendly methods of transportation will be encouraged.

7.1.2. There is scope for this service to reduce the amount of littering in Hackney and the City as cigarette butts are very commonly littered items; a reduction in smoking in Hackney and the City will thereby reduce this form of littering.

7.1.3. Where possible, we will ensure that the e-cigarettes distributed by the provider are not disposable products. The provider will ensure that clear instructions are given to service users about how to dispose of e-cigarettes safely and in an environmentally friendly way, thereby cutting down on waste as a result of this service.

### 7.2. **Procuring for a Better Society**

7.2.1. The contract will require that all those employed by the service be paid a London Living Wage. Bidders will also be asked to consider the employment of an apprentice and their response will inform the evaluation process. The service will bring a positive economic impact in terms of reducing the number of days of employment lost to smoking related illnesses.

### 7.3. **Procuring Fair Delivery**

7.3.1. The service is designed to meet the needs of priority groups and communities, who are more likely to smoke and to be at increased risk

from smoking-related harms. By supporting smokers to quit, the service will make a significant contribution to reducing health inequalities in Hackney and the City. The service is designed to be as inclusive as possible, e.g. offering smoking cessation support in different modalities (online, phone, in person) to allow residents to access support in a convenient fashion, and meeting the language and cultural needs of City and Hackney's diverse communities.

- 7.3.2. The nature of this service carries a low risk of Modern Slavery due to short supply chains. Bidders for this service will be required to demonstrate their processes and policies to prevent modern slavery as part of the selection process.

#### 7.4. **Social Value**

- 7.4.1. The provider is encouraged to consider using the CCS approved supply chain and procurement portal as a means of purchasing e-cigarettes products for their service. This portal gives providers the ability to filter the CCS approved suppliers to ensure they are MHRA certified and if they have declared a conflict of interest that includes ownership or part ownership by the tobacco industry, which is a central social value concern for work in this area.
- 7.4.2. There will be a specific method statement question (worth at least 10% of the method statement evaluation score) which asks providers to demonstrate a commitment to and capacity to deliver social value, including named examples of the type of social value they will deliver via the provision of this contract.
- 7.4.3. A number of relevant social value commitments will be specified in the service specification such as payment of the London Living Wage, measures to ensure the inclusion of service users from City and Hackney's diverse communities and promoting social innovation and new solutions through the creation of new collaborative partnerships.

#### 7.5. **Equality Impact Assessment and Equality Issues**

- 7.5.1. An Equalities Impact Assessment has been completed for this service in which potential equality issues have been identified and mitigations have been drawn up.
- 7.5.2. Smoking is a major cause of health inequalities (as detailed in section 6.1). The new City and Hackney Stop Smoking Service is informed by the latest data on smoking-related inequalities (as analysed as part of the refreshed tobacco Joint Strategic Needs Assessment which was completed to inform this procurement) and has been co-designed with local residents and stakeholders to ensure it meets the needs of City and Hackney's diverse communities.

7.5.3. The new service has a specific objective to reduce inequalities in smoking-related harms, which will be supported by an enhanced community engagement function (see section 6.5.2).

7.5.4. We will monitor the success of the service in delivering on this key objective through service KPIs and other reporting requirements.

## 8. **Proposed Procurement Arrangements**

### 8.1. **Procurement Route**

8.1.1. The service falls under the 'light touch' regime for social and other specific services of the 2015 Public Contracts Regulations. The tender opportunity will be promoted as widely as possible. This will include all organisations that responded to the Prior Information Notice.

8.1.2. The total contract value is above the threshold (currently £663,540, including VAT), so a Find a Tender Service (FTS) notice will be published.

### 8.2. **Resources, Project Management and Key Milestones**

8.2.1. This recommissioning project will be overseen by the Consultant in Public Health for Prevention, Risk Factors and Inequalities and the resulting contract will be managed by a Senior Public Health Specialist with support from the Public Health Commissioning Team.

8.2.2. The Project Team responsible for designing this service included:

- Public Health Consultant, LBH
- Senior Public Health Specialist, LBH
- Principal Public Health Specialist, LBH
- Public Health Commissioning Manager, LBH
- Contracts and Commissioning Officer, LBH
- Commissioning Manager, City of London Corporation

<b><i>Key Milestones</i></b>	
Business Case Report to CPIC	04/09/2023
FTS Advert placed	05/09/2023
Issue Tender	05/09/2023
Deadline for Tenderer's Questions	24/10/2023
Tender Returns	31/10/2023
Tender Evaluation	01/11/2023- 30/11/2023
Contract Award Report considered at CPIC	January 2024 CPIC (08/01/2024)
Voluntary Standstill Period	18/02/2024-28/02/2024
Mobilisation period	01/03/2024
Start on site / Contract start	01/07/2024

### 8.3. **Anticipated Contract Type**

8.3.1. This business case report is based on the following key documents:

- Joint Strategic Needs Assessment
- Project Overview (approved by SMT on 02/05/2023)
- Project timeline document
- Risk Assessment Tool
- PRIMAS
- Privacy Impact Assessment
- Equalities Impact Assessment
- Service specification
- Method statement questions, and other tender documents

8.3.2. The service specification will set out the strategic outcomes, delivery methods and quantified KPI targets for the service, as well as additional reporting requirements.

8.3.3. The Invitation To Tender pack will include the standard Public Health terms and conditions document, as well as a set of technical competency and method statement questions designed to demonstrate the successful bidder's ability to deliver the service to the highest standard, which will be assessed by a panel of experts (Public Health and wider stakeholders).

8.3.4. The contract will be awarded to a single organisation and will be open to a number of elements of the service being delivered by specialist subcontractors as relevant/needed.

### 8.4. **Sub-division of contracts into Lots**

8.4.1. After extensive consideration, a decision has been made to not break this contract down into Lots.

8.4.2. This decision is based on the fact that the new Stop Smoking Service is a large and complex service, requiring robust coordination and oversight, clinical expertise and links with and integration into wider health and care pathways across Hackney and the City. It should be noted that we are open to and will encourage appropriate subcontracting arrangements, including with local, smaller organisations. Thereby increasing the ability for local organisations to be involved in the delivery of this service.

8.4.3. Explicit consideration has been given within the service model to maximising opportunities for co-delivery with smaller local organisations (especially within the voluntary and community sector). The annual service value includes an annual £50,000 ringfenced budget, to be

distributed by the provider to local organisations to support service delivery within target communities.

9. **Contract Management (and Mandatory Use of the Contract Management System) & Service Management for Insourcing**

- 9.1. The contract will be managed by City and Hackney's Public Health Team. Management of the contract will be based around, as a minimum, quarterly meetings to review service performance data against the key performance indicators and agree any relevant actions to improve service performance as needed.
- 9.2. The current provider will be contract managed to ensure that, if a new provider is selected, the transition process is smooth, including any TUPE considerations which may apply to this service.
- 9.3. The provider will be expected to adopt an approach of continuous learning and development to improve service delivery throughout the life of the contract, including in response to service user feedback and community insights.
- 9.4. Once implemented across all services, the Council's mandatory contract management system will be used as the primary contract management tool for the Stop Smoking service, enabling effective communication with suppliers alongside dashboard reporting and the tracking and monitoring of performance.

10. **Key Performance Indicators (including for Insourcing)**

- 10.1. A summary of the headline key performance indicators for the service are below (See Appendix 3 for the full list of key performance Indicators):

<b>Stop smoking service intervention - Minimum activity levels</b>	
<b>KPI</b>	<b>Annual Target</b>
Total number of people setting a quit date*	1600
*Based on NICE Guidance NG209 recommendations that SSS should treat at least 5% of the estimated local population who smoke each year	

Percentage of people setting a quit date that go on to achieve a successful 4 week quit	Minimum 50% of people who set a quit date.  60% stretch target (There is a Payment by Results (PbR) allocation of 5% of the total budget if this is achieved)
Percentage of CO verified 4 week quits	85%

- 10.2. The service KPIs also include targets for key priority groups including those in routine & manual occupations, living in the most deprived areas, from high prevalence communities, with serious mental illness and physical long-term health conditions, plus pregnant women.
- 10.3. The proposed insourced community engagement lead post will be hosted within Hackney Council and specific objectives will be agreed between the commissioner, postholder and provider by the end of Q1 of the first year of the new contract.

## 11. **Comments Of The Group Director Finance**

- 11.1. This report seeks approval from the Cabinet Procurement and Insourcing Committee for the recommissioning of the City and Hackney Stop Smoking Service for a period of up to five years (3+1+1) commencing on 1 July 2024. The value over the maximum five year life of the contract is £4m, and there will be the option to award a further £500k during the contract to deliver additional national initiatives. This is contingent on additional funding from central government, and detailed budgets and timescales are not available at this stage, however this funding is anticipated to be made available during the lifespan of the proposed new service.
- 11.2. Recommissioning the City and Hackney Stop Smoking Service is crucial to maintain continuity in delivering a service that plays a vital role in improving health outcomes and reducing health inequalities in Hackney and the City. Additionally, it supports the Hackney 2022-26 manifesto ambition for Hackney to be 'smoke free' by 2030, contributing to a healthy, happy, and thriving Hackney.
- 11.3. The annual contract value of £800k, including the insourced service element cost of £80k (illustrated in section 6.11 of this report), has been factored into the Public Health commissioning plans for the 2024/25 financial year. This allocation will not result in a budget pressure for the



Council. The City of London will contribute £50k annually towards the cost of the service.

- 11.4. Contract savings of £124k have been identified from this reprocurement process, with £83k attributed to the local authority and a further £41k attributed to the City of London. These savings were identified through the service redesign, including a comprehensive benchmarking exercise (see section 6.15), and a thorough review of the current performance data. The annual contract saving of £83k for Hackney will support further investment in other agreed expenditure areas across the Council, aligning with the Health in All Policies approach.
- 11.5. While Public Health grant allocations have been announced for 2023/24 and 2024/25, there is uncertainty regarding the ring-fenced grant level beyond this period. This uncertainty represents a potential risk for all future year commissioning plans. To address this, the service will conduct annual reviews of commissioning intentions to ensure sufficient resources are in place to meet service needs. Contingency plans and strategies will need to be developed to mitigate any potential budgetary challenges arising from the uncertain grant levels.

## 12. **Comments Of The Acting Director, Legal, Democratic & Electoral Services**

- 12.1. Paragraph 2.7.6 of Contract Standing Orders states that all procurements with a risk assessment of “High Risk” will be overseen by Cabinet Procurement and Insourcing Committee and therefore this Business Case Report is being presented to Cabinet Procurement and Insourcing Committee for approval.
- 12.2. The services to be procured in this Report are classified as Social and other Specific Services under Schedule 3 of the Public Contracts Regulations 2015 and are of an estimated value above the threshold of £663,540 (including VAT) for such services. Therefore it will be necessary to publish a Find a Tender notice in respect of the procurement of the services. However, as these are Schedule 3 (light touch) services, the Council will then be subject to a smaller number of procedural rules under the Regulations in regard to how it procures such services. It will, however, be important to ensure that it complies with the obligations to treat economic operators equally and without discrimination and act in a transparent and proportionate manner in accordance with Regulation 18 of the Public Contracts Regulations 2015.
- 12.3. The procurement of these services is for the benefit of both the London Borough of Hackney and City of London Corporation. This will need to be stated in the procurement documents so bidders are aware of the scope of the contract.

12.4. In addition, the recommendation in paragraph 3.1 to include an option to engage the appointed provider for the delivery of further services to deliver national initiatives up to a maximum value of £500,000 over the lifespan of the contract, would require a variation to any services agreement awarded to a provider as a result of this procurement process. Regulation 72 of the Public Contracts Regulations 2015 allows for a modification of a contract during its term where the modifications, irrespective of their monetary value, have been provided for in the initial procurement documents in clear, precise and unequivocal review clauses, which may include price revision clauses or options, provided that such clauses (i) state the scope and nature of possible modifications or options as well as the conditions under which they may be used; and (ii) do not provide for modifications or options that would alter the overall nature of the contract. The proposals in this Report would be compliant with such Regulation and would therefore be permitted.

### 13. **Comments Of The Procurement Category Lead**

13.1. The proposed service is valued at up to £4.5M which is above the relevant UK public procurement threshold (Social and Other Specific Services “light touch” regime) and must be awarded in accordance with the relevant procedures set out in the Public Contracts Regulations 2015. The Council’s Contract Standing Order 2.5.2 requires that the Business Case and Contract Award for a High risk procurement be approved by Cabinet Procurement and Insourcing Committee.

13.2 Procurement of a single contract via a competitive tender process is supported as an appropriate and compliant route as set out in the report.

13.3 The recommendation to include an option for the appointed provider to deliver additional services with a value of up to £500k is supported as a flexible and pragmatic approach to commissioning additional activity funded by external grant funding that may become available but has yet to be confirmed.

13.4 The hybrid model for future service provision which includes the insourcing of an enhanced community engagement function is welcomed in the context of the Labour Manifesto commitment to review all outsourced services, with a view to bringing them in house.

13.5 The timeline for the procurement process, including the proposed four month mobilisation period, is reasonable to ensure contract commencement on 1st July 2024.

## Appendices

Appendix 1 - Full list of target groups

Appendix 2 - Insourcing/ Outsourcing Options Appraisal (Stop Smoking Service)

Appendix 3 - Key Performance Indicators

## Background documents

None

<b>Report Author</b>	Name Suhana Begum _____ Title Senior Public Health Specialist _____ Email <a href="mailto:suhana.begum@hackney.gov.uk">suhana.begum@hackney.gov.uk</a> _____ Tel: (020) 8356 3913
<b>Comments for and on behalf of the Group Director of Finance prepared by</b>	Name Reza Paruk _____ Title Head of Finance (AH&I) _____ Email <a href="mailto:reza.paruk@hackney.gov.uk">reza.paruk@hackney.gov.uk</a> _____ Tel: (020) 8356 4223
<b>Comments for and on behalf of the Acting Director of Legal, Democratic and Electoral Services prepared by</b>	Patrick Rodger _____ Senior Lawyer _____ <a href="mailto:patrick.rodger@hackney.gov.uk">patrick.rodger@hackney.gov.uk</a> _____ Tel: (020) 8356 6187
<b>Comments of the Procurement Category Lead</b>	Timothy Lee _____ Title Procurement Category Lead for Health and Social Care _____ Email <a href="mailto:timothy.lee@hackney.gov.uk">timothy.lee@hackney.gov.uk</a> _____ Tel (020) 8356 7782