

Insourcing / Outsourcing Options Appraisal - Appendix 2 to CPIC Business Case (Insourcing or Outsourcing Decision)

Insourcing / Outsourcing Options Appraisal for the City and Hackney Stop Smoking Service

BACKGROUND

This service aims to provide an integrated local stop-smoking service (SSS) which is fit for purpose, highly effective, responsive to local needs and accessible that will:

- reduce inequalities in smoking prevalence by helping people to quit and thus contribute to a reduction in smoking-related illness, disability and premature death
- contribute to reducing the demand for health and social care services by supporting people to live healthier lives
- reduce the social costs of smoking as part of a comprehensive local tobacco control plan
- contribute to local and national Smokefree 2030 ambitions (to reduce smoking prevalence to 5% or below).

The service will be for all smokers in City and Hackney with a focus on the following priority (high risk/high prevalence) groups.

- People in socioeconomically deprived communities
- People living in social housing
- People working in routine and manual jobs
- High smoking prevalence global majority groups, including:
 - Turkish/Kurdish/Cypriot
 - black Caribbean/African/other
 - Bangladeshi
 - Eastern European
- People with poor mental health
- Pregnant women and their families (especially those living in deprived communities)
- People experiencing homelessness
- People with substance misuse
- People with multiple needs
- LGBTQIA+ community
- People living with long-term conditions (caused by/made worse by smoking)

CURRENT POSITION

The current position of this service is that it is fully outsourced. The current provider is currently paid £924,271 per annum to deliver Stop Smoking service in Hackney and the City (which is funded by a fixed contribution of £91,261 per year from the City). The current provider is required to provide Stop Smoking support to help 3000 Hackney residents and 222 City residents set a quit date each year, resulting in 1350 Hackney quits and 100 City quits per year. Another key deliverable is the provision of training on providing both Level 1 “very brief advice” and Level 2 Stop Smoking support to relevant professionals within both Hackney and the City. This contract began on 01/07/2018 and will be coming to an end (with some changes to KPIs made for the 23/24 year) on 30/06/2024. This contract is managed by members of the Public Health team at quarterly contract review meetings, alongside supplementary monthly meetings with the provider to discuss progress in delivering and improving the service.

This service is designed to deliver a number of wider social value benefits within Hackney and the City. For example, all staff employed on the contract must be paid the London Living Wage. Furthermore, the service has positive environmental impacts such as the reduction of smoking-related littering.

The existing stop smoking service performs well with the clients that attend; Hackney’s outcomes ranked 3 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”.^{1 2} Hackney’s performance against these national smoking indicators is also consistently above the England average. Whilst the service delivers a strong service with the patients that attend, there are improvements that could be made to better engage with some of the key priority groups that are most at risk from the dangers of smoking and who are currently less likely to take up the offer of support (see Appendix 1 of the business case for priority groups).

DETAILS OF OPTIONS CONSIDERED AND REJECTED

Option 1 - Insource the service

There is little scope for us to totally insource this service. This is because delivering this service requires detailed clinical knowledge as well as extensive experience and expertise which is not currently present within the Council. In order to develop these capacities within the Public Health team, there would have to be a significant restructuring of the team, as well as new management capacity brought on to manage a service of this scale.

1

https://fingertips.phe.org.uk/tobacco-control#page/3/gid/1938132890/pat/15/par/E92000001/ati/402/are/E09000012/nn/nn-12-E09000012/cid/4/tbm/1/page-options/tre-do-1_car-do-0

2

https://fingertips.phe.org.uk/tobacco-control#page/3/gid/1938132890/pat/15/par/E92000001/ati/402/are/E09000012/iid/1210/age/164/sex/4/cat/-1/ctp/-1/yr/1/nn/nn-12-E09000012/cid/4/tbm/1/page-options/tre-do-1_car-do-0

Since other Council departments are not currently offering Stop Smoking support, there would be no scope for an insourced service to access the economies of scale in, for example, Nicotine Replacement Therapy procurement that certain outsourced providers could offer. It is therefore unreasonable to expect an insourced service to deliver the value for money which an outsourced service could achieve.

Option 2 - Outsource the service

The current service is fully outsourced, and therefore a fully outsourced service would represent a maximum continuity approach. This option 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.

In co-designing the new service, a need has been identified for an enhanced community engagement function, to ensure the service offer better meets the needs of high prevalence and high risk communities, supporting delivery of the priority objective to reduce inequalities in smoking-related harms. Building on the learning of the pandemic, and in particular the Community Champions programme, it is considered more appropriate for this function to be hosted within Hackney Council, working in close partnership with the commissioned provider, rather than being outsourced as part of the new service.

Option 3 - Insourcing with some elements outsourced (hybrid model)

As described in Option 2 above, the decision has been made to recommend a hybrid model in which the majority of the Stop Smoking Service is procured externally, as is the case with the entirety of the current contract, but with a new insourced community engagement function being hosted within Hackney Council.

A local Stop Smoking Service helps to achieve one of the key commitments in the Hackney Labour Manifesto 2022-26 to be 'smoke free' by 2030. The proposed redesigned service is also in line with the manifesto's in-sourcing commitment, with a proposal to bring in-house a dedicated community engagement post to work alongside the contracted provider and local communities, to 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.

Since this is a new role there will be no TUPE considerations.

This role is to be funded from the Public Health ring fenced grant, as is the contracted service. The budgeted amount for this post is £80k per annum which, alongside the contracted service value of £720k, brings a total expenditure for the Stop Smoking Service of £800k per annum.

Preferred option and rationale:

A hybrid model involving insourcing of one key element of the service (Option 3) is the preferred option for this procurement, as endorsed in Option 4 as described in Section 6.5 of the main body of the Business Case of which this report is a constituent part.