

CABINET PROCUREMENT & INSOURCING COMMITTEE

CONTRACT AWARD REPORT

Contract Award Report	
Title of Report	City and Hackney Stop Smoking Service Award Report
Key Decision No.	AHI S210
CPIC Meeting Date	5 February 2024
Classification	Open (with Exempt Appendices)
Ward(s) Affected	All Wards
Risk Rating	High
Cabinet Member	Cllr Kennedy, Cabinet Member for Health, Adult Social Care, Voluntary Sector and Leisure
Key Decision	Yes <hr/> Reason Affects two or more wards
Group Director	Helen Woodland, Group Director for Adults, Health and Integration
Contract Value, <u>both</u> Inclusive of VAT and Exclusive of VAT (for the duration of the contract including extensions)	A maximum value of £5,698,595 which will be comprised of: £3,583,700 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) Up to £1,614,895.50 (£339,978 per annum up until March 2029) of additional central government funding as covered in the corrigendum notice published as part of the open tender process. The final values and use of this funding are still to be confirmed (see section 6.1)
Contract Duration (including extensions e.g. 2 yrs + 1 yr + 1 yr)	5 Years (3 + 1 + 1)

1. Cabinet Member's Introduction

- 1.1. The City and Hackney Stop Smoking Service is an essential aspect of Public Health's service offering to City and Hackney residents. By awarding this contract, City and Hackney Public Health will continue to work towards the improvement of several key indicators in the Public Health Outcomes Framework, as well as local political and national policy commitments. The award of this contract is in line with the [Hackney Labour 2022-26 manifesto](#) ambition for Hackney to be 'smoke-free' (i.e. smoking prevalence 5% or less) by 2030, a vital step in improving population health and reducing health inequalities in Hackney and the City.
- 1.2. This contract has been awarded on the basis of an updated service specification, which is responsive to the latest local and national stop smoking data as well as the latest evidence-based guidance for Stop Smoking Service design, and was overseen by the local Tobacco Control Alliance which it is my pleasure to chair. Consequently, I am confident that this awarded service will be responsive to the particular local needs of smokers in Hackney and the City, and will provide the best possible support to help them to quit.
- 1.3. It should be noted that since the publication of the business case ref. AHL S176, an additional allocation of central government funding to support local Stop Smoking Services was announced in October 2023. In response to this, a corrigendum notice was published via the procurement portal for this service. While specific commitments - including the exact level of funding and the delivery model of any additional service elements - cannot yet be made, published figures suggest the maximum available additional funding allocation for Hackney and the City combined will be £339,978 per annum for five years from April 2024. This corrigendum has laid the foundation for future discussions with Provider A. Specific commitments and their implications for the service specification and KPIs can now be negotiated with Provider A at a later stage after the point of contract award.

2. Group Director's Introduction

- 2.1. This report concerns the award of the contract to deliver the City and Hackney Stop Smoking Service to Provider A. A number of savings have been identified for this service allowing the service to be delivered more efficiently while still meeting the needs of City and Hackney smokers, providing better value for money. Furthermore, the service has been designed to be responsive to changes in the national policy context, such as the introduction of a new Stop to Swap scheme (which will improve access to e-cigarettes for adults as a stop smoking tool), and the provision of financial incentives to pregnant women to encourage them to stop smoking. Following the publication of a corrigendum notice during the open tender period, further discussions will be held with Provider A

concerning the possible allocation of up to £339,978 per annum (for five years) of central government funding to enhance the local Stop Smoking Service offer.

- 2.2. This awarded service contains a number of new elements designed to improve engagement with vulnerable and disadvantaged communities in City and Hackney, thereby reducing inequalities in tobacco-related harms. For example, Provider A will be responsible for the management of a £50,000 per annum community engagement fund to support collaboration with community partners as part of co-design approach. This will be delivered in conjunction with a newly recruited outreach and engagement Lead, who will be hosted within Hackney Council and work alongside Provider A in developing close partnerships with community organisations working with/representing priority groups, 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.
- 2.3. The award of this contract brings the City and Hackney Stop Smoking service up to date with the latest evidence (NICE guidance published in November 2021) and the current national policy context, including the [recent government announcements](#) to create a 'smokefree generation' (in response to the 2022 independent Khan Review, *Making Smoking Obsolete*). The service has also been designed to integrate with NHS funded tobacco dependency treatment pathways for inpatients and maternity services, to ensure a seamless provision of support to quit for all smokers.

3. **Recommendation**

- 3.1. **To agree an award of the City and Hackney Stop Smoking Service contract to Provider A for a period of up to five years (3+1+1) from the 1st of July 2024. The total value of the contract will be a maximum of £5,698,595. This will be made up of up to £3,583,700 in core service spending (An average of £716,740 per year). There will also be up to £500,000 of central government funding to be allocated towards Optional Additional Work Packages and up to £339,978 per annum of additional central government funding to support local stop smoking services (as described in section 6.1)**

4. **Related Decisions**

- 4.1. The Business Case Report for this procurement was approved by CPIC on 4 September 2023 (AHI S176):

[Stop Smoking Service Procurement CPIC Report Business Case](#)

5. **Reason(s) For Decision / Options Appraisal**

- 5.1. This report seeks to confirm the award of a contract for a new Stop Smoking Service based on a redesigned service model and specification including an insourced service element.
- 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. For completeness the changes proposed for the new service are detailed below.
 - 5.2.1. 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
 - 5.2.2. Integration/alignment of community and hospital-based stop smoking and tobacco dependency treatment service pathways.
 - 5.2.3. Strengthening and extending ongoing support for people to reduce risk of relapse and remain 'smokefree'.
 - 5.2.4. Increase access to harm reduction approaches for those motivated to reduce their tobacco use but not yet ready to quit in one go.
 - 5.2.5. 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 7), 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).
 - 5.2.6. **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 detailed in the business case. 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:

- 5.2.6.1. working with the service provider to build capacity in community organisations to deliver stop-smoking advice directly
 - 5.2.6.2. supporting the co-development of tailored communications and targeted outreach to promote the service
 - 5.2.6.3. building/strengthening relationships between high risk/prevalence communities and the service provider to maximise responsiveness and reach of the service
 - 5.2.6.4. 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.
- 5.2.7. 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.
- 5.3. 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. Reprocurring this service with a redesigned service model allows us to take account of this guidance, as well as wider system changes such as those implemented through the NHS Long Term Plan, as well as more recent government announcements to achieve a 'smoke free generation'. Procuring a redesigned service will ensure the new Stop Smoking Service is responsive to these changes in the wider policy and delivery context.
- 5.4. 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.
- 5.5. The evaluation and co-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).
- 5.6. Following a detailed benchmarking exercise, it was confirmed in the Business Case Report that the budget for the new service, whilst including

the new/enhanced elements outlined above, can be reduced (see savings proposals in section 7).

5.7. Following a number of central government announcements both prior to and during the tender being opened, this service has been designed to be flexible to the allocation of additional streams of central government funding. These streams include the Stop to Swap scheme, financial incentives for pregnant smokers and, most recently, the additional funding for local Stop Smoking Services announced by the Prime Minister in early October 2023 (see section 6.1.1)

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

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

This option would allow for savings to the Council, however in doing so it would end a vital service for the tens of thousands of smokers living locally and would, therefore, have a detrimental impact on population health and risks increasing health inequalities in City and Hackney. This option does not take account of the significant health harms caused by smoking in the local context:

- smoking is the primary cause of premature death and preventable illness in England - one in two long term smokers will die from a smoking-related disease
- the annual societal costs of smoking in Hackney are estimated at over £100m each year (equivalent data are not available for the City)
- 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' (again, equivalent data are not available for the City).

Whilst ending the service would release short-term savings, it should be noted that stop 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)¹.

5.9 **Option 2 - Reprocurring the Stop Smoking Service based on the current service model and specification**

The current Stop Smoking Service performs well for those who use it. 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". Hackney's performance

¹ [ASH, Health inequalities and Smoking \(2019\)](#)

against these national smoking indicators is also consistently above the England average.

However, the service has been less successful in attracting referrals from some high risk groups and high prevalence communities (including pregnant/post partum women, smokers from the Turkish/Kurdish community and those in routine and manual occupations). A re-designed service that is more responsive to the wide-ranging needs of City and Hackney's diverse smoker population will help to reduce stubborn inequalities in service uptake.

5.10 **Option 3 - Recommission a new Stop Smoking Service based on a (wholly outsourced) redesigned service model and specification**

This option allows for the incorporation of a number of improvements to the service model (see section 5.2) and ensures that the service is up to date with the latest guidance from NICE and the wider policy context(see section 5.3).

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 section 5.2.6.

6. **Project Progress**

6.1 **Developments since the Business Case approval**

6.1.1 On 3 October 2023, the Prime Minister announced an additional £70m investment nationally in local Stop Smoking Services, to be delivered through a new Section 31 grant over the financial years 2024/25 to 2028/29, and will be ringfenced for the purposes of local authority-led stop smoking services. Local authority allocations have been calculated on the basis of the number of resident smokers in each area. For Hackney, the maximum allocation has been confirmed as £327,891; for the City it is £12,087. The specific grant conditions attached to this additional funding are due to be published early in 2024.

6.1.2 This announcement came during the open tender period. Following guidance from Corporate Procurement and Legal services, a corrigendum notice was published on this procurement which accounted for the allocation of any potentially available funding to Provider A following the award of the contract. Negotiations regarding the levels and use of this funding will be initiated with Provider A, along with wider partners, following contract award.

6.1.3 [The Business Case Report](#) for this service committed to having a specific method statement question related to social value with a weighting of at least 10%. However, this was reduced to 5% in the published Invitation to Tender as it was deemed that three other evaluation questions related to the role of community outreach and engagement, and partnerships and collaboration also included a measure of social value against which bids would be assessed. When taken into account alongside the specific social value question, the total weighting of these four questions sufficiently met the requirement to consider social value as detailed in the Council's Sustainable Procurement Strategy.

6.2 Whole Life Costing/Budgets

6.2.1 The total cost of the core service is detailed in the table below. Funding is available for the duration of the contract from the Public Health budget. Additional funding streams which may be utilised have been detailed in the rows below though exact allocations are still to be confirmed.

	City and Hackney Stop Smoking Service					
Funding stream	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Core Service Budget	£714,800	£715,800	£716,800	£717,300	£719,000	£3,583,700
Additional work packages*	To be agreed	To be agreed	To be agreed	To be agreed	To be agreed	£500,000
Additional Central Government Funding	£339,978	£339,978	£339,978	£339,978	£254,983.50	£1,614,895.50

* details of the allocation for the Swap to Stop and the incentives for pregnant smokers schemes are to be agreed with the winning bidder at the point of mobilisation, however we do not anticipate this figure exceeding £500,000.

6.2.2 Hackney Council will recharge the City of London corporation £50,000 of core spending per annum to reflect the level of activity that will be delivered within the City. As a result of the additional central government funding a further allocation of up to £12,087 has become available, although the exact value of this funding that will be included in this contract is to be confirmed through negotiations with the winning bidder.

6.2.3 The agreed price is inclusive of all service delivery related costs for the duration of the contract. A detailed breakdown was submitted as part of the bid.

6.3 Risk Assessment/Management

Risk	Likelihood	Impact	Overall	Action to avoid/mitigate risk
Smokers, particularly those from high risk/prevalence communities do not engage with the service	Medium ▾	High ▾	High ▾	A specific insourced Outreach and Engagement Lead post has been created via this procurement, and a ringfenced £50,000 Community Engagement Fund has been built into the service model to ensure strong engagement with high risk/high prevalence communities
Issues related to the transfer and mobilisation of the service (such as TUPE related challenges, plus potential delays/risks associated with the transfer of data and delivery partnerships from the incumbent provider)	Low ▾	Medium ▾	Low ▾	<p>A service mobilisation period of 4 months has been scheduled to ensure all mobilisation issues are resolved prior to the service launch date.</p> <p>TUPE information was shared with all bidders prior to the submission of their bids.</p> <p>TUPE related costs were specifically listed in the service pricing schedule template to encourage bidders to consider these costs.</p> <p>A method statement question was specifically dedicated to the mobilisation process in which bidders were asked to confirm they had sufficient IT systems and links with local partners to ensure the service could start delivering on the specified start date.</p>
Issues with the launch of as-of-yet not fully defined service elements for which final funding allocations and specified delivery are not yet known	Medium ▾	Medium ▾	Medium ▾	<p>A corrigendum notice was published during the open tender period to ensure all bidders were fully aware of the most up to date information relating to the additional funding streams.</p> <p>This corrigendum notice will form the basis of negotiations</p>

				between the Council and the new provider to establish the funding levels and specified use of this funding.
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7. **Savings**

- 7.1 Following a detailed benchmarking exercise and review of current performance data, the service redesign process has identified annual contract savings of £125,271 that will be delivered as part of this reprocurement. This amounts to £626,355 of contract savings released over the full (5 year) lifetime of the new contract (£420,050 contract savings to Hackney specifically). The net annual saving for the Council from this re-procurement is £84,010
- 7.2 The contract was awarded to Provider A on the basis of a quoted price of £3,583,700 which is £16,300 under budget, thereby opening up further savings of £3,260 per annum.

8. **Sustainability Issues and Opportunities, Social Value Benefits**

8.1. **Procuring Green**

The service will minimise its environmental impact by ensuring that all resources are available to clients in digital form, and will only use hard copy resources where necessary for promotion or accessibility reasons. Furthermore, the service will proactively discourage client use of disposable e-cigarettes and provide advice on re-use or sustainable disposdplus pharmacotherapy packaging. The service will operate a hybrid (remote and in person) working model which reduces environmental impact by the carbon footprint of staff and service user travel.

8.2. **Procuring For A Better Society**

This service will launch an apprenticeship scheme (which will apply to the service's first frontline vacancy and 25% of further frontline vacancies) for residents from key neighbourhoods or priority populations, thereby increasing the economic opportunities available to residents of Hackney and the City. Further opportunities will be provided to local school students through the offering of two work experience placements per year. The provider is an accredited training provider and is committed to offering a free RSPH Health Improvement Course to disadvantaged local residents per year. As part of the mobilisation process, the provider will be required

to pay the London Living Wage as a minimum to all staff employed to deliver this service.

8.3. **Procuring Fair Delivery**

The service will work to reduce social isolation through the provision of group support sessions as well as the building-in of peer support into the service design. The provider will monitor the number of clients successfully linked into one of the services' peer support options and agree a specific KPI for this with Public Health during the mobilisation period. The provider will also host one Community Wellbeing Day per year within Hackney and the City. This event will promote social cohesion through collaboration with local, diverse organisations to ensure inclusive programming which appeals to all members of the community.

8.4 **Equality Impact Assessment and Equality Issues**

The primary objective of the service is to reduce the health inequalities arising from smoking-related harms. The provider has committed to a number of measures to achieve this, including recruitment of designated community engagement leads who will focus on working with target high priority groups identified with the service specification.

The service is designed to be as inclusive as possible. The provider will overcome language barriers by working to recruit staff with language skills relevant to the diverse populations of Hackney and the City and offer translation services both face-to-face and over the phone in over 30 languages, as well as provide written and digital information and resources in a range of relevant community languages. The provider will secure a range of delivery locations in community venues that are convenient, accessible and acceptable to smokers from vulnerable and marginalised communities.

8.5 **Social Value Benefits**

In addition to the above measures, the winning bidder has committed to reducing their carbon footprint by 10% each year between 2023 and 2026. They will achieve this through the above commitments detailed in section 8.1 as well as a number of guiding principles which include: ensuring office locations have and use recycling facilities; reducing waste and implementing paper-free administration systems; conserving electricity usage in all office locations; encouraging active and sustainable travel alternatives for staff members; educating staff to make sustainable changes to their working practices; using suppliers who share their environmental values; and implementing initiatives to offset their carbon footprint.

Additional social value commitments were made by the winning bidder in relation to economic benefits (see section 8.2) and social benefits (see section 8.3) as well as social value commitments related to reducing inequalities (see section 8.4).

9. **Tender Evaluation**

9.1 An competitive procurement process was completed in line with the Public Contract Regulations 2015. A Prior Information Notice was published on Procontract on 5 September 2023 and the notice was advertised widely to more than 30 organisations. An engagement event took place on 6 June 2023 and a number of organisations attended.

9.2 The opportunity to bid was promoted as widely as possible and advertised on Procontract, Find a Tender, London Tenders and published on the Council website. 28 organisations that received an alert through the portal accepted the link. The tender was published on Procontract on 5 September 2023 and closed 31 October 2023. Four tender submissions were received.

9.3 The first part of the tender evaluation was a set of technical competency questions in which bidders were asked to demonstrate they have the skills, knowledge and experience to deliver the service. Those who passed the technical competency evaluation were then assessed on the basis of a set of method statement questions, as detailed in section 9.5 below.

9.4 The Tender Evaluation and Moderation Panel consisted of the following:

- Commissioning Manager, City and Hackney Public Health (Chair).
- Public Health Consultant, City and Hackney Public Health.
- Senior Public Health Specialist, City and Hackney Public Health.
- Public Health Apprentice, City and Hackney Public Health
- Smokefree Programme Manager, NHS North East London
- VCS Enabler Programme Manager, Hackney CVS
- Contracts & Commissioning Officer, City and Hackney Public Health

9.5 The award criteria and weighting are detailed in the table below:

Criteria	Criteria Weighting	Sub-Criteria	Sub-Criteria Weighting
QUALITY	65%	Service mobilisation plan	7%
		Reducing local health inequalities	5%
		Leadership, coordination and performance management	5%

		Training	5%
		Community outreach and engagement	5%
		Communication and marketing plan	4%
		Referral and triage management system	5%
		A flexible stop smoking intervention	14%
		Partnership and collaboration	4%
		Potential future additional requirements	4%
		Staffing	4%
		Data management	3%
SOCIAL VALUE	5%	Social Value	5%
WHOLE LIFE COST	30%	Pricing Schedule	30%

9.6 In total, four bids were received for this service, as outlined in the Invitation to Tender document, all bids were assessed against the three technical competency questions on a pass/fail basis, and any bidder which failed one or more technical competency questions was thereby excluded from the evaluation process. Two bidders failed the technical competency questions and therefore did not progress to the method statement evaluation. Two bidders were evaluated on the basis of their method statement responses and the evaluation panel met to agree scores for each individual question. On the basis of these scores, it was decided to invite both remaining bidders to interview. Following the interview process, which involved a half hour presentation followed by an opportunity to answer clarification questions, the scores for each method statement question were moderated collectively by the panel, and an award decision was made on the basis of these scores as well as the pricing score.

9.7 Please note that the Business Case for this procurement was initially agreed with a 10% weighting for social value. However, the weighting for the specific social value question included in the final version of the procurement documents was 5%. This change was made in recognition of

the fact that social value was also a relevant consideration in relation to three other evaluation questions on the reduction of health inequalities, the role of community outreach and engagement, and partnerships and collaboration. When considered together with the specific social value question, the total weighting of these questions exceeded the expectations of the Sustainable Procurement Strategy in relation to social value assessment.

10. Reason for Recommendation

	Technical competency Questions	Quality	Price	Social Value	Total
Provider A	Pass	44%	29.23%	4%	77.23%
Provider B	Pass	35.6%	30%	4%	69.6%
Provider C	Fail	N/A	N/A	N/A	N/A
Provider D	Fail	N/A	N/A	N/A	N/A

- 10.1. This report recommends that the contract be awarded to Provider A. Provider A provided strong answers to the technical competency and method statement questions, and further supported their proposed model via an interview process in which a presentation was given and clarification questions were answered by the panel. As a result of this process, the panel agreed unanimously that Provider A was the best of all bidders for this service and would be able to provide a high quality service which meets the needs of City and Hackney Service users as identified in the Business Case and can achieve all KPIs as detailed in Appendix 1.
- 10.2. The pricing schedule provided by Provider A was within the budget envelope for this service and proposed a considered, well funded model of delivery which could realistically fund the type of service proposed and provided good value for money.
- 10.3. The winning provider has significant experience delivering high quality and successful Stop Smoking Services, including in comparable boroughs across London, further affirming the panel's assessment that they will be able to provide the City and Hackney Stop Smoking Service.
- 10.4. The service will continuously monitor and adjust/improve its offer through data analysis and insight. This will also allow commissioners to monitor the performance and benefits of the service.
- 10.5. Following the approval of this report's recommendations by CPIC, a four month mobilisation period will begin, in which a TUPE process will take place to ensure the transfer of all eligible staff from the current provider.

During this period, the provider will also confirm that all staff are paid the London Living Wage.

11.1 **Contract Management Arrangements**

- 11.1.1 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.
- 11.1.2 The current provider will be contract managed to ensure that the transition process is smooth, including the TUPE considerations which will apply to this service.
- 11.1.3 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.
- 11.1.4 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.

11.2 **Key Performance Indicators**

- 11.2.1 A summary of the headline key performance indicators for the service is provided below (See Appendix 1 for the full list of key performance Indicators).

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

**Evidence-based quality standard for stop smoking services	(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%

- 11.2.2 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.
- 11.2.3 The proposed insourced community engagement lead post will be hosted within Hackney Council and specific objectives/KPIs for related activity will be agreed between the commissioner, postholder and provider by the end of Q1 of the first year of the new contract.

12 Comments Of Interim Group Director Of Finance

- 12.1 In Section 3 of the report, the recommendations aim to secure approval from the Cabinet Procurement and Insourcing Committee for the awarding of a contract to Provider A for the City and Hackney Stop Smoking Service. This proposed contract spans a duration of up to five years, structured as three years initially, followed by two optional one-year extensions (3+1+1), with a start date of July, 2024. The core contract holds a maximum value of £3.6m, while an additional £0.400m is allocated for the insourced contract, culminating in a comprehensive contract value of £4m over its entire duration.
- 12.2 An additional allocation of up to £0.500m from central government funding is earmarked for Optional Additional Work Packages. Additionally, there will be a yearly provision of up to £0.340m in central government funding to bolster local stop smoking services. This funding is expected to become accessible throughout the duration of the proposed new service. Detailed grant conditions, set to be released in early 2024, will apply specifically to this allocation.
- 12.3 The estimated annual contract value of £0.800m including the insourced service element. The core contract value will be funded from Public Health Grant (£0.670m), City of London (£0.050m) and additional resources of (£0.080m) also funded from Public Health Grant. The contract value has been factored into the Public Health commissioning plans for the 2024/25 financial year. Budget holders will need to ensure that annual spend is contained within the Public Health grant allocation and any supplementary grant awards.
- 12.4 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

- 12.5 Contract savings of £0.125m have been identified from the new proposed contract, with £0.084m attributed to the local authority and a further £0.041m attributed to the City of London. These savings were identified through the service redesign, including a comprehensive benchmarking exercise, and a thorough review of the current performance data. The annual contract saving of £0.084m for Hackney will support further investment in other agreed expenditure areas across the Council, aligning with the Health in All Policies approach.
- 12.6 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.

13 **VAT Implications On Land & Property Transactions**

- 13.1 No VAT implications

14 **Comments Of The Acting Director, Legal, Democratic & Electoral Services**

- 14.1 This Report was assessed as High Risk by the Council and therefore this Report is being presented to Cabinet Procurement and Insourcing Committee for approval in accordance with paragraph 2.10 of Contract Standing Orders.
- 14.2 Details of the procurement process undertaken by the Council to award this contract are set out in this Report. It should be noted that increased government funding for local Stop Smoking Services was announced after the tender process had begun. Therefore the value/details of the contract notice were corrected to include such potential funding by the publication of a corrigendum notice by the Council.

15 Comments Of The Procurement Category Lead

- 15.1 This proposed contract is valued at circa £5.7m which is above the UK public procurement threshold for the “light touch” regime for Social and Other Specific Services. The Council’s Contract Standing Orders requires that the award of a contract of this value be approved by Cabinet Procurement and Insourcing Committee.
- 15.2 A competitive tender process was carried out in compliance with Contract Standing Orders and the recommendation is to award to the provider offering the most economically advantageous tender assessed against the publish criteria.
- 15.3 Relevant KPI and performance measures are proposed including those aligned to strategic and corporate targets. Requirements with regard to sustainability and social value are also noted including payment of the London Living Wage, an apprenticeship scheme, and a 10% year on year reduction in the carbon footprint.
- 15.4 The publication of a corrigendum notice to amend the contract notice was completed in compliance with the relevant regulations and will ensure that the service is able to make use of the additional government funding that was announced during the tender process.

Appendices

Appendix 1 - [Key Performance Indicators](#)

Exempt Appendices

EXEMPT Appendix 1 - Long List - List of Suppliers who accepted the notification

EXEMPT Appendix 2 - List of Shortlisted Suppliers

EXEMPT Appendix 3 - Breakdown of Quality and Price Scores

EXEMPT Appendix 4 - Price Comparison

By Virtue of Paragraph 3 Part 1 of schedule 12A of the Local Government Act 1972, Exempt Appendices 1-4 to the report are exempt because they contain Information relating to the financial or business affairs of any particular person and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information as revealing the identity of bidders and prices submitted may prejudice best value being driven through the procurement and any commercial arrangements the Council may enter into in due course.

Background Documents

None

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