

LONDON BOROUGH OF CROYDON

REPORT:	OFFICER DELEGATED KEY DECISION PART A	
DATE OF DECISION	09/12/2024	
REPORT TITLE:	Local Stop Smoking Servies and Support Grant – Specialist Provision Contract Award Report - Part A	
CORPORATE DIRECTOR / DIRECTOR:	Marie Snelling, Interim Assistant Chief Executive Officer Andrea Fallon, Interim Director of Public Health	
LEAD OFFICER:	Carlos Bailey - Senior Contract and Commissioning Officer, Public Health carlos.bailey@croydon.gov.uk Rachel Carse – Strategic Commissioning Manager Public Health rachel.carse@croydon.gov.uk	
LEAD MEMBER:	Councillor Yvette Hopley, Cabinet Member for Health and Adult Social Care	
DECISION TAKER:	Marie Snelling, Interim Assistant Chief Executive Officer	
AUTHORITY TO TAKE DECISION:	Delegated via the Croydon Tender and Contracts Regulations	
KEY DECISION?	Yes	Key Decision Number: 0824ACE REASON: Decision incurs expenditure, or makes savings, of more than £1,000,000 or such smaller sum which the decision-taker considers is significant having regard to the Council's budget for the service or function to which the decision relates
CONTAINS EXEMPT INFORMATION?	YES	Public with exempt Part B Grounds for the exemption: Exempt under paragraph 3 of Schedule 12A of the Local Government Act 1972 and the public interest in withholding disclosure outweighs the public interest in disclosure.
WARDS AFFECTED:	All	

1. SUMMARY OF REPORT

- 1.1 This report seeks approval to award the Local Stop Smoking Services and Support Grant – Specialist Provision contract to the provider with the highest weighted score in the tender evaluation process: The ‘preferred provider’.
- 1.2 The new specialist smoking cessation service for underserved populations will initially focus on Severe Mental Illness (SMI), Substance Misuse and Homeless populations. The service will retain the option to expand its remit to include additional underserved populations over the course of the contract, subject to compliance with the Health Care Services (Provider Selection Regime) Regulations 2023 (PSR)

2. RECOMMENDATIONS

FOR CHAIR OF CCB

- 2.1 The Chair of Contracts and Commissioning Board (CCB) is requested to approve the recommendations in this report to the Assistant Chief Executive.

FOR ASSISTANT CHIEF EXECUTIVE

For the reasons set out in the report [and its appendices], the Chair of the Contracts and Commissioning Board recommends to the Assistant Chief Executive:

- 2.2 To agree the award of the Local Stop Smoking Services and Support Grant – Specialist Provision to the preferred provider, as laid out in Part B, for a period of four years and three-months at a total fixed contract cost set out in Part B.

3. REASONS FOR RECOMMENDATIONS

- 3.1 The Department of Health and Social Care (DHSC) announced additional Council funding over the next five (5) financial years (2024/25 to 2028/29) for local stop smoking services. The national funding allocation for this provision is £70,000,000 (seventy million pounds) per annum and is committed to for five (5) years from April 2024. Croydon’s share of this grant, calculated on smoking rates within the borough, is £436,814 (four hundred and thirty-six thousand and eight hundred and fourteen pounds) annually.
- 3.2 It should be noted that this funding was announced under the previous administration and with the change in government there is not a guarantee it will continue for five (5) years. In order to accommodate that uncertainty and allow for flexibility, the Council’s standard contract termination terms, enabling termination without cause, will be extended from three (3) months’ notice to six (6) months.
- 3.3 DHSC requires funding must be used to:
 - Invest in stop smoking services and support, in addition to, and while maintaining existing spend from the Public Health Grant.
 - Build capacity to deliver expanded local stop services and support.
 - Build demand for local stop smoking services and support; and
 - Deliver increases in the number of people setting a quit date and 4 week quit outcomes.

- Reporting associated activity and financial spend.

3.4 Croydon residents with SMI and residents with complex needs are excluded from the current smoking cessation provision delivered via the Live Well service. This funding provides some capacity to invest in innovation and scale up the service to address the needs of underserved populations. Public Health research has identified a lack of local expertise and infrastructures to deliver a programme that is outcome focused and responsive to local needs.

4. BACKGROUND AND DETAILS

4.1 The tender has been conducted in compliance with the Health Care Services (Provider Selection Regime) Regulations 2023 (PSR), Most Suitable Provider process and in accordance with the approved strategy report (CCB Number: PB-2425-000027-S).

4.2 Please see below for significant tender dates completed.

Event	Date/s
Market Engagement Event	02/10/2024
Notice of Intention – Issued	10/10/2024
Tender Closed	24/10/2024
Evaluation Period	25/10/2024 – 07/11/2024
Moderation	08/11/2024

4.3 The market engagement event provided an opportunity to highlight the forthcoming tender, as well as respond to any and all provider questions relating to the service and procurement process.

4.4 Following the engagement event a tender evaluation panel was established containing two Public Health principles and a Public Health Strategic Commissioning Manager.

4.5 As required by Most Suitable Provider process method statement questions were developed covering the five criteria that all suitable providers should be assessed against. These criteria were then given weightings, depending on the importance of the criteria for the service being procured. In total twelve questions were developed (see part B).

4.6 The following are the agreed weightings for the key criteria. The contract price was set by Public Health but within the tender there was a Key Criteria assessment area for Value. This entailed scoring on what the bidders could provide for the set contract cost, including any added value.

Key Criteria	Weighting
Quality and innovation	25%
Value	15%
Integration, collaboration and service sustainability	25%

Improving access, reducing health inequalities and facilitating choice	25%
Social value	10%

- 4.7** The providers responses to the method statements were scored using a 0-5 scoring matrix and assessed by the three individual evaluators: two Public Health Principals and a Strategic Commissioning Manager. The scores were then moderated to give a consensus score for each question. These scores were then weighted.
- 4.8** As the contract price is a fixed price (related to the value of the grant) this procurement was carried out with a 100% weighting on the quality element. A condition of the full grant is that any grant monies not spent by the Council are required to be returned to DHSC.
- 4.9** The provider who received the highest weighted score, without failing any questions, would then be recommended as the preferred provider.
- 4.10** Sixteen (16) providers expressed an interest in submitting a bid, with three (3) organisations submitted bids for the service. Their anonymised overall scores are below. With Provider 1 becoming the preferred provider.

Provider	Overall Weighted Score
Provider 1	79.8%
Provider 2	66%
Provider 3	54.60%

- 4.11** Despite the overall scores Provider 2 failed on two questions i.e. scored 2 (out of 5) or below, while Provider 3 failed on four questions. In line with the published scoring guidance, failing on a method statement question results in a provider no longer able to be successful in the tender.

4.12 Remaining Procurement Timeline

Activity	Estimated Date
Publish Key Decision Notice (to award)	07/11/2024
Contract Award Report Governance begins	11/11//2024
Intention to award notice	19/12/2024
Standstill period ends	03/01/2025
Confirmation of award notice	06/01/2025
Contract signing	06 - 17/01/2025
Contract commencement	27/01/2025

Premier Supplier Programme

4.13 To ensure Providers are paid efficiently, joining the Premier Supplier Programme (PSP) was offered to all providers who participated in the process. This also enables the Council to achieve a reduced price regarding the contract. Providers will however have the option to opt out this programme.

4.14 The preferred provider agreed to join the PSP at a 0.5% rebate.

Real Living Wage

4.15 The service specification and contract include the requirement that any organisations tendering will pay at least the Real Living Wage (RLW) to staff.

4.16 The Council is an officially accredited Real Living Wage Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the Council to provide works or services within Croydon pay their staff at a minimum rate equivalent to the RLW rate. Successful contractors will be expected to meet RLW requirements.

Social Value

4.17 The incorporation of Social Value into Croydon contracts will significantly help the Council to deliver on its strategic corporate and Mayoral priorities and add value for the borough through the following key principles that are highlighted within Croydon's Social Value Policy 2019-2023:

[Croydon Social Value Policy](#)

- Continuously enhancing the Council's, suppliers' and partners' awareness, ownership and confidence in embedding, delivering and measuring Social Value through effective communication, training and robust governance practices.
- Mandating Social Value considerations across all commissioning activity, securing measurable, verifiable Social Value outcomes that are relevant and proportionate to the purpose of the services, goods or works being procured or grants being allocated.
- Consulting and engaging with all relevant stakeholders both within and outside the Council and using this insight to continually update both the scope and specificity of Croydon's key Social Value priorities.
- Promoting supplier diversity through our ethical and sustainable procurement practices; particularly focusing on increasing the number of Voluntary Community Social Enterprise's (VCSE's), and Micro Small Medium Enterprise's (MSME's), within the Council's supply chain. This will be achieved by improving the visibility and accessibility of the Council's business opportunities, facilitated through direct engagement, supplier workshops and timely promotion of opportunities.
- Applying a standard weighting for Social Value within the tender process of a minimum of 10% of the Quality Evaluation Assessment

4.18 Alternative Options Considered

	Option	Advantages	Disadvantages	Risks

1.	Do nothing	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Continuing not to address the smoking cessation needs of the underserved vulnerable populations. • Continued level of demand on health services with related cost, lower life expectancy and reduced quality of life for the underserved vulnerable populations. • Failure to provide services associated with the Public Health ring-fenced grant. • No alternative provision for this service maintains the current lack of support for these populations. 	<ul style="list-style-type: none"> • Reputational damage for not attempting to address meeting the smoking cessation needs of underserved vulnerable populations. • Complaints due to no provision. • Health inequalities of underserved vulnerable Croydon populations continue to be impacted detrimentally.
2.	Provide additional service though Live Well smoking cessation scheme.	<ul style="list-style-type: none"> • Live well contract already in place. 	<ul style="list-style-type: none"> • Will have to slot into the existing contract, with little scope for change. Would not allow the flexibility required to address the needs of underserved populations and to amend targeted populations over the course of the contract. • Complexity of client group would require staff to have considerable clinical training, which Live Well staff do not have. 	<ul style="list-style-type: none"> • Risk of funding covering already existing smoking cessation services, which is prohibited by grant requirement restrictions. • May not allow for the targeted support for underserved populations due to level of staff training.
3.	Undertake a Provider Selection Regime procurement process. Recommended option	<ul style="list-style-type: none"> • Ability to address the smoking cessation needs of the underserved vulnerable populations. • Expected long term reduction in continued level of demand on health services, with related costs, improved life expectancy and quality of life for the underserved vulnerable populations. 	<ul style="list-style-type: none"> • Possible delays in procurement process due to new procurement process (PSR) being run for the first time by the Council. (see mitigation in Risk Table – Paragraph 13) 	<ul style="list-style-type: none"> • Grant funding was announced under the previous administration and with the change in government there is not a guarantee it will continue for five (5) years. In order to accommodate that uncertainty and allow for flexibility, the Council's standard contract termination terms, enabling termination without cause, will be extended from

	<ul style="list-style-type: none"> • Ability to provide services associated with the Public Health ring-fenced grant requirements. • New PSR provides a more flexible procurement options. • New PSR also provides a quicker tender process, which results in less staffing hours required and therefore less staff costs. 		three (3) months' notice to six (6) months.
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5. CONSULTATION

- 5.1** The current Public Health and Commissioning evidence base suggested that, within the supply market, there were a limited number of organisations who could provide the service locally. In accordance with the Provider Selection Regime 2023 and the Most Suitable Provider statutory guidance and to ensure compliance with the principles of fairness, transparency, and proportionality, a market engagement event was held to inform potential providers of the upcoming procurement opportunity.
- 5.2** The purpose of this event was to ensure that all suitable providers, including those who may not be immediately identified, are aware of the procurement process and have equal access to participate. This engagement supported informed, fair decision-making in line with the Most Suitable Provider process, ensuring that the selected provider offers the best value in terms of quality, efficiency, and meeting the needs of the local population.

6. CONTRIBUTION TO EXECUTIVE MAYOR'S BUSINESS PLAN

- 6.1** The provision of this service aligns with the following Outcomes and Priorities in the Mayor's Business Plan.

Outcome : Priority	Description
Outcome 1: Priority 1:	Get a grip on the finances and make the Council financially sustainable
Outcome 1: Priority 3:	Strengthen collaboration and joint working with partner organisations and the voluntary, community and faith sectors.
Outcome 1: Priority 4:	Ensure good governance is embedded and adopt best practice.

Outcome 2: Priority 3:	Support the local economy and enable residents to upskill and access job opportunities.
Outcome 5: Priority 2:	Work closely with health services and the VCFS to improve resident health and reduce health inequalities.

7. IMPLICATIONS

7.1 FINANCIAL IMPLICATIONS

7.1.1. The service will be wholly funded from the Department of Health and Social Care additional funding grant for local authority stop smoking support. With conditions associated with a section 31 ring-fenced grant.

7.1.2. Currently Croydon's share of this grant, calculated on smoking rates within the borough, is £436,814 annually. Some of the funding in 2024-25 has been used to recruit a commissioner to draft the specification and procure the service. Any grant remaining after procuring the contract will be used to recruit agency posts to provide additional capacity to address demand for local stop smoking services. Contracts will be reviewed annually to ensure the service is delivered within the grant available. Any portions of the Grant not used will have to be returned to DHSC.

7.1.3. Finance have been consulted and can confirm the impact of the report can be met within existing budgets.

7.1.4. Revenue and Capital consequences of report recommendation. See Part B.

7.1.5 Comments approved by James Huggett, Head of Strategic Finance for Resources, ACE and MTFs on behalf of Allister Bannin, the Director of Finance. 21/11/2024

7.2 LEGAL IMPLICATIONS

7.2.1 The Council has the power to enter into contracts with third parties pursuant to its functions as provided for under section 1 of the Local Government (Contracts) Act 1997. The Council also have the power to do anything that individuals generally may do pursuant to section 1 of the Localism Act 2011.

7.2.2 The Council is required to comply with its Tenders and Contracts Regulations within the Council's Constitution. The Tenders and Contracts Regulations sets out executive delegations and authority to make the contract award decision of the value stated in the recommendations is delegated to the relevant Corporate Director, in this instance, the Assistant Chief Executive.

7.2.3 The Council is under a duty to comply with the relevant procurement legislation. The services were procured in accordance with the Health Care Services (Provider Selection Regime) Regulations 2023 and the Procurement implications section of this report (below) confirms compliance.

7.2.4 Comments approved by the Head of Commercial, Housing & Litigation Law on behalf of the Director of Legal Services and Monitoring Officer. (Date 03/12/2024)

7.3 EQUALITIES IMPLICATIONS

- 7.3.1** An Equalities Impact Assessment was completed and signed off by the Equalities team on August 28th 2024. The outcome of the assessment found 'No Major Change'. In addition, "The contract will require the service provider to abide by the Equality Act and London Council's Anti Racism statement. Equalities requirements will be monitored regularly at quarterly contract management meeting. Feedback will be gathered from service users throughout the life of the contract."
- 7.3.2** EQIA approved by Ken Orlukwu, Senior Equalities Officer, on behalf of Helen Reeves, Head of Strategy & Policy on 22/08/2024.

OTHER IMPLICATIONS

8.1 PROCUREMENT IMPLICATIONS

- 8.1.1** This Contract is recommended for award following a compliant procurement process in line with the Provider Selection Regime (PSR 23) Most Suitable Provider Process.
- 8.1.2** The procurement was carried out as described within the approved Strategy report (CCB number: PB-2425-000027-S) and resulted in a successful provider being recommended.

Comments reviewed by Natalie White, Strategic Procurement Manager for Adults, Children & Health on behalf of the Head of Strategic Procurement and Governance (Date 19/11/24)

8.2 Risks

Risk	Description	Rating	Mitigation / Management
Completing the procurement within timescales	Delays in procurement process due to new Provider Selection Regime being used for the first time	Medium	Procurement to seek advice from both Croydon legal and Procurement colleagues in other authorities for best practice. Early informal advice regarding the process under the PSR specific to this procurement has already been sought by procurement colleagues from external partners Browne Jacobson
Provider challenge due to new procurement process	Providers who lose out on the contract may wish to challenge decision	Medium	See mitigation above. Plus fair and transparent decision-making with a robust audit trail.
Mobilisation of service	Contract award provider unable to mobilise service	Medium	Mobilisation plan will be required as part of PSR assessment scoring. Post contract award contract

			management to ensure provider meets required mobilisation milestones.
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8.3 GDPR Compliance

8.3.1 A Data Protection Impact Assessment (DPIA) has been completed and requirements identified as part of the assessment were reflected in the tender documents.

8.3.2 As part of the procurement and contract award process, Providers will need to demonstrate they are compliant with all data protection legislation.

9. APPENDICES

9.1 None

10. BACKGROUND DOCUMENTS

10.1 Local Stop Smoking Services and Support Grant – Specialist Provision: Commissioning & Procurement Strategy Report (CCB number: PB-2425-000027-S)