

Appendix A to	Contract Extension for School Health and Wellbeing Service and Integrated Young People's Health and Wellbeing Service
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Executive Summary

The Children and Young People's Health and Wellbeing Service (CYPHWS) is the new service model which brings together two statutory services 1) School Health and Wellbeing Service and 2) Integrated Young People's Health and Wellbeing Service (Safe East).

The robust and rigorous evaluation of the CYPHWS procurement concluded the bid did not deliver best value.

Two contract extensions are required to support the continued delivery of the two statutory services whilst re-tendering is completed. We propose a four month extension from August – November 2024 to award the contract following retendering which will take place between May-October 2024. Following the contract award, the new service will require a four-month mobilisation period which aligns with the school term and accommodates the school holidays, which are critical for the service because:

- most staff work on term-time only contracts and may need to be TUPE'd so this stage requires a longer period to maximise engagement and retention of staff
- mobilisation needs to be considered as a term-time only activity. Schools plan their terms early in the year– to maximise school's embracing and valuing the change, we must factor in ample time for the changes to be clearly communicated supporting a successful service implementation
- The extension period works out as 24 weeks school term time when school closures are taken into account. This period is crucial and will be used to establish strong data capture and reporting systems, partnerships, estates, facilities, service pathways.

This extension will bring the current service delivery to the end of the financial year supporting the new service delivery to commence at the start of summer term. A new procurement cycle cannot be completed before the current contracts comes to an end.

Key issues

This paper focuses on the decision of whether and how long to extend the contract for the current services.

The decisions relating the evaluation of tenders and the future approach to retendering the service are not in scope of this Cabinet decision but are included in this paper and a restricted appendix for context.

Details of recommendations and timescales for decision

DLT are asked to support one of three options:

- 1) A contract extension from 1st August 2024 to 31st March 2025; four months to

award the contract and four months to mobilise the service during term time.

2) A shorter contract extension period of less than eight months.

3) Do not agree to an extension; these two core universal services will be suspended from 1st August until retendering is complete.

We recommend option 1.

Details on who has been consulted with on this paper to date and details of further plans for consultation.

1	Children's DLT	18/03/2024
2	HASC DLT	18/03/2024
3	Cllr Talukdar briefing	26/03/2024
4	Cllr Choudhury briefing	25/03/2024
5	Mayors briefing	26/03/2024
6	CMT	
7	MAB	03/04/2024
8	MAB CPAP	10/04/2024
9	Cabinet	24/04/2024

Risk implications

Without the extension, the two services will cease activity on 31st July 2024. Risks include:

- Failure to meet our statutory duty to ensure: 1) the delivery of the Healthy Child Programme (HCP) which is an evidence-based, universal programme for all children and 2) commission sexual health and substance misuse prevention and treatment services for young people.
- Failure or significant delay to the delivery of other key services including hearing and audio screening and the National Childhood Measurement Programme (NCMP)
- Significant staffing challenges
- Reputational damage

Risks associated with a shorter contract extension period depend on which phases of the procurement will be reduced:

- If shortening the market engagement period, the key risk is that we insufficiently understand the reasons behind the sub-optimal tender and fail to respond to these reasons before or during the reprocurement, increasing the risk of a future sub-optimal tender.
- If shortening the tender period, numerous risks associated with unforeseen delays, reduced quality of scoring, challenges in seeking legal/procurement advice at pace etc., which in turn increase the risk of another sub-optimal tender, legal action or other adverse procurement outcome.
- If shortening the mobilisation period, there are risks around supporting staff through the TUPE process which might increase the risk of resignations (noting these are hard-to-recruit posts) and the service starting with an incomplete mobilisation, with risks around data, information-sharing, inadequate pathway development etc.

The main risk associated with the extension is the continuation of a sub-optimal

service model for the current services, which the new service model for the CYPHWS seeks to address. The mitigation is therefore to reprocure the service, informed by renewed market engagement, and in line with realistic timelines to ensure an effective and successful tender exercise.

Budget/Legal Issues

Budget – The contract value of the existing services is the same as the new service, so the extension would not affect the budget for these services.

Legal – Potential challenges from Lot 1 and Lot 2 bidders as a result of ceasing the tender. We have received advice from Legal who are in support of our recommendation to cease the procurement.

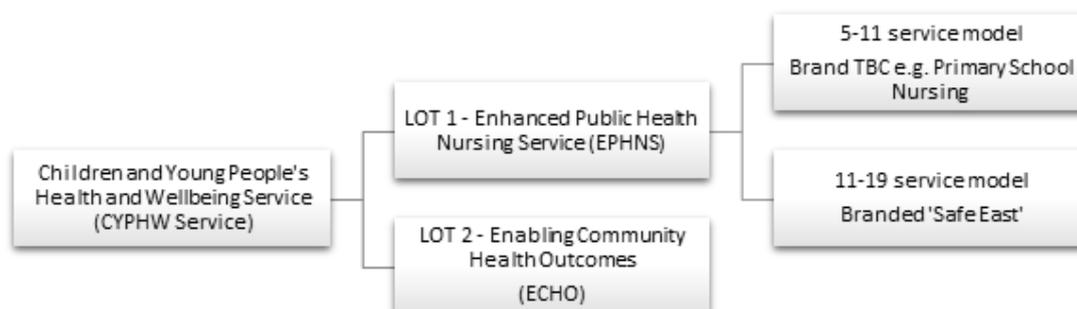
Equalities considerations

The new CYPHWS service model has been designed to better reduce inequalities than the existing model by increasing capacity for co-production and culturally sensitive health communications. The contract extension aims to increase the success of a future tender, to introduce the new model as effectively as possible.

1. Background:

1.1. Public Health have completed the procurement of a new Children and Young People's Health and Wellbeing service (CYPHWS). This new service brings together School Health and Wellbeing Service and Integrated Young People's Health and Wellbeing Service (Safe East) into a single new service. The CYPHWS service model was co-produced with service users and partners following an 18-month transformation workstream, including an evaluation and needs assessment.

1.2. The CYPHWS consists of two lots:



- Lot 1 – Enhanced Public Health Nursing Service (EPHNS): A universal and targeted service for children and young people aged 5-19 (25 with SEND) with two service elements supporting health, education and other partners working together across a range of settings to enhance the life chances of children and young people.
- Lot 2 – Enabling Community Health Outcomes (ECHO): A dedicated function to support the Lot 1 Provider with system leadership, co-production, evaluation, research, and culturally appropriate communication resulting in an innovative service that reflects and meets local need.

1.3. The CYPHWS model was informed by the perspective of children and young people on their health and what they value about the services that support them. To ensure the voice of children and young people drives service delivery and continual improvement, the Lot 2 Provider shall provide a dedicated focus on co-production and communication resulting in an innovative child-centred service.

2. Tender evaluation process:

- 2.1. Cabinet approval was granted on 23rd October 2023 as part of the Q2 (FY 2022 -2023) Contract Forward Plan.
- 2.2. Tollgate 1 was approved on 7th November 2023 by the Procurement Review Board.
- 2.3. A pre-tender market engagement exercise (webinar) was held on 24th July 2023.
- 2.4. A LBTH wide stakeholder workshop was held on 2nd August 2023, bringing together partners who are responsible for commissioning and delivering services to children and young people. The feedback received for the proposed service model was positive and partners recognised efforts had been made to address system challenges.
- 2.5. This tender was undertaken in accordance with the Public Contracts Regulations 2015(PCR 2015) Schedule 3 (Light Touch Regime) and a process akin to the open procedure was utilised a open tender route to market. The purpose was to create competition, opportunities for emerging businesses to apply for new work and minimise discrimination as it is a transparent process that facilitates fair play for suppliers.
- 2.6. Tender was issued on 15th December 2023 with deadline for return on Tuesday 30th January 2024. The evaluation period was 31st January - 27th February 2024.

3. Tender outcome

- 3.1. The evaluation panel has concluded that none of the responses received for Lot 1 were of sufficient quality to deliver best value for the requirements as set out in the service specification.
- 3.2. The options the panel have considered, on legal and procurement advice are:
- 3.2.1. To not award the contract and end this tender process (tender 'abandonment') and proceed to retender with no substantial changes to the service specification
 - 3.2.2. To not award the contract and end this tender process (tender 'abandonment') and undertake in-depth market engagement with a view to making substantial changes to the service specification prior to retendering.
 - 3.2.3. To pursue Regulation 32 undertakings, to negotiate with one or more bidders of the Council's choice.
- 3.3. The Council has chosen to pursue the option described in 3.2.1. There is no indication from the bids submitted that the service specification requires substantial modifications. The specification was developed through an 18-month transformation process including involvement of national advisors and commissioners are confident that the model is deliverable and will improve service quality and outcomes for children and families.
- 3.4. A Regulation 32 procedure (to negotiate with one or more bidders of the Council's choice) was assessed as unfavourable as it does not provide the same level of competition between providers as option 3.2.1 and it would therefore be more difficult to demonstrate the value of the solution once negotiation had concluded.
- 3.5. Lot 2 is specified to enable the effective delivery of Lot 1 and cannot be mobilised or delivered independently of Lot 1. Unfortunately, and in the absence of a clear award for Lot 1 the Council has no immediate need of the services that would have been awarded under Lot 2.
- 3.6. Whilst the Council intends to retender Lot 1 this will not be until July with a potential award some significant time following. Therefore, the Council has decided to abandon this Lot 2 tender also as the Lot 2 bids may no longer be relevant or commercially viable by the time we might be in a position to award the retendered Lot 1. Therefore, under clause 11.1 in the ITT instructions, we are abandoning the entire tender for HAC5906.

4. Extension and retendering timelines

- 4.1. There are two stages of the contract extension that are required to retender the contract, from the current contract end date (31st July 2024) to proposed new contract start date on 1st April 2024:

Four months to award contract (August '24 – November '24)

- Market development, tender document updates, tender opens: May-September
- Evaluation/award report/standstill/PRB: September/November
- Contract award: November

Four months to mobilise (December '24 – March '25):

- TUPE – November/December [December – 2 weeks school holiday plus decreased activity with schools due to Christmas activities in term-time]
- Service mobilisation – January-March (factoring in school holidays, this is about 3 months of term-time)
- Contract start: April 2025 (start of term)

- 4.2. Due to the costs associated with any period of extension, a decision at Cabinet is required. Cabinet will have an option to extend the contract or not to extend it. If it chooses not to extend the contract, then the service will end on 31st July 2024. For children and young people to continue receiving the nationally mandated healthy child programme and access to sexual health and substance misuse services, the two service contracts will require an extension while the service is retendered.
- 4.3. We are recommending an extension; 4 months to award the contract in November 2024 and 4 months to mobilise the service between December 2024 – March 2025. The recommended period of extension provides adequate time for the procurement which factors in current procurement capacity and accommodates the school holidays, which are critical for the service because 1) most staff work on term-time only contracts and may need to be TUPE'd, and 2) schools are critical to supporting the mobilisation – so the mobilisation needs to be considered as a term-time only activity.