

## **HAMBLETON DISTRICT COUNCIL**

**Report To:** Cabinet  
7 February 2017

**Subject:** ADULT WEIGHT MANAGEMENT SERVICE

**All Wards**  
**Portfolio Holder for Leisure: Councillor Mrs B S Fortune**

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### **1.0 PURPOSE AND BACKGROUND:**

- 1.1 The purpose of this report is to seek approval for the Council to submit a joint bid with other partners to operate part of the Adult Weight Management service advertised by North Yorkshire County Council.
- 1.2 Since September 2014 Hambleton District Council has delivered a pilot adult weight management programme on behalf of North Yorkshire County Council's Public Health within the district. The programme has been marketed as 'Take That Step'. To date the pilot, which ends on 30 June 2017, has been successful with over 700 referrals, 53% of whom achieved a 3% weight loss in their first 12 weeks. The pilot has been delivered at a 'nil' cost to the Council with grant income meeting expenditure. In addition to this the Council has also benefited with its 'Take That Next Step' product which provides the scheme's clients with a discounted leisure centre membership for a further 9 months to encourage them to complete a 12 month programme of exercise and nutrition. This generates a further £40,000/year in addition to the grant income.
- 1.3 Across the county schemes, with the same aim but different delivery models, have also been operated by the other District Councils. Following the pilot NYCC has advertised a contract for the service on the open market. This is for 5 years (with an option for a further 2 years), starting 3 July 2017. The contract is divided into 4 'Lots' across the county; Lot 1 is for a Hambleton and Richmondshire service. Originally the contract was advertised on 25 November 2016, with bids needed by 13 January 2017. HDC, and others, requested that this timescale be extended to enable the Council to consider its position and seek appropriate approvals, where necessary. NYCC agreed to this request and bids now have to be submitted by 15 February 2017. NYCC has stipulated that bidders can tender for any number of lots and that consortia bids are acceptable but that lots cannot be split.
- 1.4 This type of commissioned contract is becoming prevalent across the UK and a market is developing for the delivery of such contracts. Often leisure centres are used to deliver the schemes but not always and alternative models include the use of community halls and venues lead by leisure management contractors or companies such as Weight Watchers. With this contract it is feasible that one bidder could win all the lots and deliver the service through community halls.

### **Proposal**

- 1.5 It is proposed that the Council submits a bid for the contract for the following reasons:
  - The work fits closely with the Council's "Enhancing Health and Wellbeing" priority (see 2.0)
  - Delivery of this service ensures that HDC is integral to tackling the wider health agenda of inactivity and therefore able to apply for Sport England, and other, funding
  - The team has an excellent existing level of insight into the needs of the Hambleton community

- The pilot scheme proved the ability of the team to deliver the service well
- A HDC scheme would guarantee the use of leisure centres to deliver the service
- Significant additional income, already factored into future revenue estimates, is generated through ancillary products, eg Take That Next Step. This would be at risk if another organisation was to operate the scheme

1.6 The best delivery model is for HDC to form a consortium, established for the purpose of operating this contract, with Richmondshire District Council (RDC) and North Yorkshire Sport (NYS), whereby each Council operates the service within its own boundaries, with NYS providing the administrative coordination, as well as acting as the “lead contact” (NYS is also likely to bid to perform a similar role within other lots).

## **2.0 LINK TO COUNCIL PRIORITIES:**

2.1 Hambleton has a specific challenge with the obesity and excess weight of its residents; 65% are overweight, higher than the average for North Yorkshire and the rest of the country. Enhancing the health and well-being of our residents is a key priority and delivering this service would be a contributory element to tackling this challenge.

## **3.0 RISK ASSESSMENT:**

3.1 Whilst there are risks in approving the recommendations they do not score above the threshold requiring strategic consideration.

3.2 The key risks in not approving the recommendations are as shown below:-

<b>Risk</b>	<b>Implications</b>	<b>Prob*</b>	<b>Imp*</b>	<b>Total</b>	<b>Preventative action</b>
Another organisation is appointed to operate the service across Hambleton	HDC loses leisure centre income. Service is inferior to existing. Residents health conditions worsen. x4 employees are TUPE transferred	4	3	12	Submit bid. Develop alternative programmes.
No other organisation submits a bid	Uncertain what NYCC response would be but possible that they would set up an arrangement with HDC for the Hambleton area.	4	3	12	Submit bid. Ensure positive liaison with NYCC

Prob = Probability, Imp = Impact, Score range is Low = 1, High = 5

## **4.0 FINANCIAL IMPLICATIONS:**

4.1 The total 5 year contract value for Lot 1 (both Hambleton and Richmondshire areas) is £465,084, equating to an annual value of £92,554 made up of 2 elements:

- Annual ‘up front’ contract payment (40%) - £37,022
- Performance related pay (60%) - £55,532

4.2 Included within the 5 year sum is a one-off set-up budget of £2,314.

4.3 The total payment for the contract needs to meet the agreed operating costs of all members of the consortium. Within the tender guidance NYCC identifies the estimated activity levels and the specific details relating to the performance payments. These have been assessed

and, based upon the experiences of the pilot scheme, are believed to be realistic. On this basis Hambleton's share of the annual income would be £59,697. This income covers all of the associated expenditure to deliver the service, meaning that the scheme can be operated on a cost neutral basis. It is estimated that small efficiencies will be made year on year as deliverability improves. These savings will cover the employee costs, which are estimated to increase by 1% each year. See Appendix 1 for further details.

4.4 Overall the revenue effects of the service will be as follows:-

<b>Revenue Effects</b>	<b>2017/18 £</b>	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>
Cost of service	<u>46,758</u>	<u>59,278</u>	<u>59,266</u>	<u>59,509</u>	<u>59,507</u>
Financed by: HDC payment from NYCC	<u>47,087</u>	<u>59,697</u>	<u>59,697</u>	<u>59,697</u>	<u>59,697</u>
	<b><u>329</u></b>	<b><u>419</u></b>	<b><u>431</u></b>	<b><u>188</u></b>	<b><u>190</u></b>

## **5.0 LEGAL IMPLICATIONS:**

5.1 If the Adult Weight Management Service contract for Lot 1 (Hambleton and Richmondshire) was awarded to the consortium, Hambleton District Council would be signing up to a 5 year contract (with potential for a 2 year extension). HDC would be subject to the terms and conditions of the contract, including application of the Public Contracts Regulations 2015.

## **6.0 EQUALITY/DIVERSITY ISSUES**

6.1 Successful award of the contract for the service will assist HDC in achieving its equality obligations. Specific to these, within this service area, is the prevalence of obesity in older age groups, of which Hambleton has a higher percentage than the national average. Obesity is also more prevalent within those with multi-faceted health conditions. Particular attention is also needed to ensuring that the referrals to the scheme reflect the rates of obesity across the district, as men and younger adults were under-represented within the pilot scheme.

## **7.0 RECOMMENDATIONS:**

7.1 That Cabinet approves and recommends that:

- (1) Hambleton District Council forms a consortium with Richmondshire District Council and North Yorkshire Sport and submits a tender for Lot 1 of the Adult Weight Management service, and
- (2) Management Team is responsible for approving the final tender submission.

PAUL STAINES  
DIRECTOR LEISURE & ENVIRONMENT

**Background papers:** NYCC Tender for Adult Weight Management Service  
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