

ISLE OF WIGHT COUNCIL

Public Health Management Team Report

Date:	25 January 2023
Title:	Weight Management Spend
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What is asked of Management Team:

1. To agree the additional spend for IOW Tier 2 Weight Management (T2WM) services, recurring for five years commencing 1 July 2023.

Background

2. Papers have been received by QPMT in May and September 2022 reporting contractual remedial measures imposed due to under-performance of the tier two weight management service provided by Solutions 4 Health (S4H). The provider gave formal notification that the service was not financially sustainable at the budget level of £32,500 per annum.
3. As a result of this situation a full tender exercise is being carried out to procure a new provider with a contract start date of 1 July 2023.
4. A costing model has been developed collaboratively by Hampshire and Isle of Wight T2WM commissioners which when applied to IOW need (based on NICE Guidance) incurs a cost pressure requiring an increase of the T2WM budget recurring over the life of the contract, namely five years.
5. The purpose of this paper is to update Management Team on costs and ask for approval to increase the T2WM contract budget for the next five years commencing 1 July 2023.

Context

6. From the needs assessment carried out in 2019 – The estimated number of people that may be eligible for Level 2 services on the Isle of Wight is 49,335. However, a small proportion of these people will be ready to change their lifestyle and are in want of support. Assuming this applies to 1.5% of the population (NICE guidance), a level 2 service might expect to have sufficient capacity for 740 people a year.
7. Table 1 shows the cost of the existing contract, proposed new costs and the difference (cost pressure) between them:

Table 1	Annual (Year 1)	(Year 2-5 per annum)	Total Contract value (5 years)
Current spend S4H	£32,500.00	£32,500.00	£162,500.00
Proposed	£62,765.44	£58,265.44	£295,827.20
Additional Funding	£30,265.44* *Additional cost in year 1 is mobilisation cost	£25,765.44	£133,327.20

8. Table 2 shows the annual breakdown would be

Table 2

	Total per year
Year 1	£62,765.44
Year 2	£58,265.44
Year 3	£58,265.44
Year 4	£58,265.44
Year 5	£58,265.44

9. A further financial breakdown of the elements of the contract is detailed in appendix 1.

Finance implications

10. Financial implications as detailed in Table 1. Confirmation has been gained from IOW finance that the amounts referred to are available within the public budget.

Legal implications

11. Legal advice is being followed regarding the tender process.

Procurement requirements

12. Procurement advice has been obtained and followed.

Risks and Issues

13. The current provider has failed to deliver due to poor performance and financial viability. The risk is that if the budget remains insufficient then this

might lead to a failed tender or selection of another provider who cannot then deliver the required level of activity and quality of service.

Health Equality Impact Assessment

14. This has been approved by IOW legal for letting the new contract.

Recommendation(s)

15. To agree the additional spend for IOW tier two weight management (T2WM) services, recurring for five years commencing 1 July 2023.

Appendix 1

	Per annum (quantity)	%	£ per person	Total Per Annum
Whole Service (excluding bonus)	740	100%		£48,388.60
Whole Service bonus for 5% weight loss.				£9,076.84
Face-to-Face	562	76%	£58	£32,619.20
Face-to-Face BONUS (20%)			£12	£6,523.84
Extended Face-to-Face	52	7%	£58	£3,004.40
Digital	126	17%	£45	£5,661.00
Digital BONUS (20%)			£9	£1,132.20
Face-to-Face with Physical Activity as core component (please note the face-to-face includes PA = £58+£42. £42 is the additional payment)	169	27% of the face to face clients	£42	£7,104.00
Face-to-face with Physical Activity additional payment BONUS (20%)			£8	£1,420.80
Marketing (per year)			£800.00	
Mobilisation (One-off year 1)			£4,500.00	