



Cabinet
26 January 2015

Report from the Chief Executive

For Action

Wards Affected:
[ALL]

Authority to tender a contract for Healthwatch

1.0 Summary

- 1.1. The Council has a statutory duty to commission a local Healthwatch service for the Borough. Local Healthwatch is the local consumer champion on health and social care services. It delivers a range of key functions to promote and support the involvement of people in the commissioning and provision of local care services in Brent.
- 1.2. This report concerns commissioning arrangements for Local Healthwatch as set out in part 5 of the Health and Social Care Act. The current Local Healthwatch contract is due to expire on 31 March 2015. This report outlines the Council's statutory responsibilities and the business need to meet the statutory requirement in 2015/16.
- 1.3. This report requests approval to invite tenders in respect of the Local Healthwatch contract as required by Contract Standing Orders 88 and 89. This report also seeks approval for an interim contract to be put in place to ensure continued provision of a Local Healthwatch service whilst the procurement process for a new contract is being undertaken by the Council.

2.0 Recommendations

- 2.1 The Cabinet to approve the request to invite tenders for a Local Healthwatch service contract on the basis of the pre - tender considerations set out in paragraph 3.7 of the report.
- 2.2 The Cabinet to agree that the new contract is let for a term of one year with the option to extend for a further 12 months.
- 2.3 The Cabinet to give approval to officers to evaluate the tenders referred to in 2.1 above on the basis of the evaluation criteria set out in paragraph 3.7 of the report.
- 2.4 The Cabinet to approve an exemption from the usual tendering requirements of Contract Standing Orders and approve the direct award of an interim contract to the current provider, Healthwatch Brent, for a three month period from 1st April 2015 for the operational reasons set out in paragraph 3.8.

3.0 Detail

- 3.1. There is a statutory requirement under part 5 of the Health and Social Care Act 2012 for all Local Authorities to setup a local Healthwatch and Complaints Advocacy Service by April 2013. The Act required the Council to:
 - Establish a local Healthwatch to act as the new consumer champion for publically funded health and social care;
 - Take over responsibility for ensuring the provision of a Health Care Complaints and Advocacy service.
- 3.2. The aim of local Healthwatch is to act as the consumer voice for health and social care. It aims to benefit patients, users of services, carers and the public by helping to get the best out of services, improving outcomes, and helping services to be more responsive to what people want and need. There are seven statutory functions under the guidance from the Department of Health and LGA, relating to Healthwatch and the complaints advocacy services:

Function 1	Gathering views and understanding the experiences of people who use services, carers and the wider community
Function 2	Making people's views known
Function 3	Promoting and supporting the involvement of people in the commissioning and provision of local care services and how they are scrutinised
Function 4	Recommending investigation or special review of services via Healthwatch England or directly to the

Care Quality Commission (CQC)

Function 5	Providing advice and information about access to services and support for making informed choices
Function 6	Making the views and experiences of people known to Healthwatch England and providing a steer to help it carry out its role as national champion
Function 7	NHS Complaints Advocacy – this function has been commissioned by a separate pan-London agreement.

- 3.3. The current Local Healthwatch contract covers functions 1 to 6 and is due to expire on 31 March 2015. Function 7 is delivered through a separate contract with Voiceability and is not part of the tender. Local Healthwatch will be funded by local authorities and held to account by them for the ability to operate effectively and be value for money. The Department of Health published figures that they expected boroughs to spend on Healthwatch in 2013/14 and 2014/15, however, with the main grant now sitting in the Business Rate Retention Scheme specific guidance beyond the end of the current financial year has not been received.
- 3.4. The 2012 Act provides that the body contracted to be the local Healthwatch must be a 'body corporate' (i.e. a legal entity), which must be a social enterprise.
- 3.5. The creation of Healthwatch was a new venture for the local authority in 2012. Lessons learnt will inform the procurement process and development of the new service specification. The new service specification will set out the service requirements, including ensuring that Local Healthwatch is accessible to all across Brent, actively seek the views and experiences of local people, including seldom heard groups, and able to influence organisations across the public, private and voluntary sectors in a complex and rapidly changing context. The tender evaluation criteria can be weighted to ensure that quality criteria receive the appropriate focus.
- 3.6. To meet the statutory requirements for commissioning a Healthwatch service to deliver functions 1 to 6 as set out in paragraph 3.2, Officers consider the best way forward for the Council would be to let a contract for up to two years. The value of the new contract would be £150,000 per annum, £300,000 over the full life of the contract if the 12 months option to extend is exercised.
- 3.7. In accordance with Contract Standing Orders 88 and 89, pre-tender considerations have been set out below for the approval of the Cabinet.

Ref.	Requirement	Response
(i)	The nature of the service.	Healthwatch – local consumer champion for health and social care services

Ref.	Requirement	Response	
(ii)	The estimated value.	£150,000. Total value of £300,000	
(iii)	The contract term.	One year with the option to extend for a further 12 months	
(iv)	The tender procedure to be adopted.	Single stage	
v)	The procurement timetable.	Indicative dates are:	
		Adverts placed	29 January 2015
		Deadline for tender submissions	9 March 2015
		Tender evaluation	Commencing 10 March 2015
		Report recommending Contract award circulated internally for comment	16 April 2015
		Cabinet approval	8 June 2015
		10 day voluntary standstill period.	From 9 June 2015
		Contract Mobilisation	23 June 2015
		Contract start date	1 July 2015
(vi)	The evaluation criteria and process.	<ol style="list-style-type: none"> 1. At selection (pre-qualification stage) shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines namely the pre qualification questionnaire and thereby meeting the Council's financial standing requirements, technical capacity and technical expertise. The tenders of the organisations who meet the Council's minimum standards will proceed to the tender evaluation stage. 2. Tenders will be evaluated in line with best value principles to identify the most economically advantageous tender having regard to price and quality elements. 3. At tender evaluation stage, the panel will evaluate 	

Ref.	Requirement	Response
		<p>the tenders against the following criteria: Price (40 per cent) and Quality (60 per cent). Quality will be evaluated by analysis of method statements produced by tenders including:</p> <ul style="list-style-type: none"> • proposed delivery model and proposals in relation to governance arrangements • approach to and experience of community engagement and representation • approach to gathering the views and experiences of residents to inform commissioning • proposals for raising the impact and influence of Healthwatch in the borough • proposed model for delivering an information, advice and signposting service • approach for the recruitment of Healthwatch members and volunteers • proposal for delivering key functions of the contract • specific health and safety matters relevant to the contract
(vii)	Any business risks associated with entering the contract.	Financial Services and Legal Services have been consulted concerning this contract and have identified the risks associated with entering into this contract set out in sections 4 and 5 of this report.
(viii)	The Council's Best Value duties.	The procurement process and on-going contractual requirements will ensure the Council's Best Value obligations are met.
(ix)	Consideration of Public Services (Social Value) Act 2012	The scope of service will be developed to ensure the requirements of the Act are met during the procurement process in addressing issues of social value.
(x)	Any staffing implications, including TUPE and pensions.	See section 7 below.
(xi)	The relevant financial, legal and other considerations.	See sections 4 and 5 below.

3.8. The current contract with Healthwatch Brent expires on the 31 March 2015. This report recommends that a short term contract is awarded to the current provider, Healthwatch Brent, for a period of three months (April – June 2015) based on the same terms and conditions as the current arrangement. This will ensure no gap in service provision during this period and also allow for a

handover period to a new provider for the service should the current provider not win the contract.

- 3.9. The Cabinet is asked to give its approval to these proposals as set out in recommendations in paragraph 2 of this report and in accordance with Standing Order 89.

4.0 Financial Implications

- 4.1 The value of this Healthwatch contract is £150,000 per annum, £300,000 over the two year of the contract including the option to extend for an additional 12 months.
- 4.2 The value of the short term contract is £14,717 per month, a total of £44,151 for the three month period April to June 2015 (based on current contract value of £176,600 per annum).
- 4.3 The cost of both the short term interim contract and the annual contract will be funded from the current Healthwatch and Advocacy budget within the Assistant Chief Executive's Service.

5.0 Legal Implications

- 5.1 The Health and Social Care Act 2012 and regulations subsequently issued under it govern the establishment of Local Healthwatch, its functions and the responsibilities of Local Authorities to commission Local Healthwatch services.
- 5.2 Under the EU procurement rules provision of health and social services fall within Part B of Schedule 3 to the Public Contracts Regulations 2006. The full European procurement regime will not apply to the procurement of the Local Healthwatch service. However, to adhere to the partial application of the EU procurement rules and the EC Treaty principles of non discrimination and transparency, the Council intends to invite tenders and undertake a procurement process, as set out in this report.
- 5.3. The value of the contract over its lifetime as mentioned in paragraph 4.1 of this report is over £250,000 and in effect, regarded as High Value Contract under the Council's Contract Standing Order (CSO) and Financial Regulations. CSO 88 provides that the Cabinet's approval to invite tenders and CSO 89 approval of the pre-tender considerations (which are set out in paragraph 3.7 of this report) should be obtained.
- 5.4. Once the tendering process is undertaken, Officers will report back to the Cabinet in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and recommending award.

5.6. This report, as required under the CSO 84 also requests the grant of an exemption from the requirement to procure in accordance with the Council's Contract Standing Orders and for approval of a direct award of an interim contract to the current provider for Healthwatch Brent.

5.7 The employees of the Council will not be directly affected by the re-tendering of the Local Healthwatch. However, as the current local Healthwatch services are provided by a Community Interest Company, Healthwatch Brent, if Healthwatch Brent do not bid for the service or if they are unsuccessful in their bid, it is anticipated that some or all of their staff would be eligible to transfer under TUPE to the successful tenderer/new service provider

6.0 Diversity Implications

6.1 A full EIA is being prepared and will be available at the time of the tender award report.

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 This service is currently provided by an external Community Interest Company and there are no implications for Council staff arising from retendering the contract.

8.0 Background Papers

8.1 None applicable.

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