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Meeting	Cabinet Resources Committee
Date	25 February 2013
<b>Subject</b>	<b>Barnet Healthwatch Procurement</b>
Report of	Cabinet Member for Public Health
Summary	<p>Local Healthwatches are the new bodies created by the Health and Social Care Act 2012 to provide a strong consumer voice for health and social care in each Local Authority area.</p> <p>This report seeks a waiver of Contract Procedure Rules in order to award a contract for Barnet Healthwatch from 1 April 2013.</p>

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Status (public or exempt)	Public
Wards Affected	All
Key Decision	Yes
Reason for urgency / exemption from call-in	N/A
Function of	Executive
Enclosures	None
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## **1. RECOMMENDATIONS**

- 1.1 That the Committee approve a Waiver of Contract Procedure Rules 5.8, relating to barnet tendering and quotation thresholds for works, supplies and services under Table 6-1, for the reasons set out in sections 9.5 to 9.10 below.**
- 1.2 That the Committee approve the contract to deliver Barnet Healthwatch in the sum of £592,083 (£197,361 per annum) be awarded to Community Barnet with an expiry date of 31 March 2016, with the option for a further extension of up to two years in accordance with the contract (total contract value £986,805)**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Cabinet Resources Committee- 20 June 2012- Contract Procurement Plan – item 12
- 2.2 Health and Well-Being Board- 26 July 2012- Healthwatch Procurement – item 12

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 Healthwatch will be the primary vehicle through which users of health and care in the Borough will have their say and recommend improvements. These should lead to improved, more customer focused outcomes for the objectives in the Health and Well Being Strategy 2012-15 and in the Corporate Plan 2012-13, specifically under 'Sharing Opportunities and Responsibilities'.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 There is a risk that Healthwatch will not be delivered effectively and will not represent good value for money. This risk has initially been mitigated by making it clear in tender documents what the Council and its health partners are looking for in a successful Healthwatch, and will continue to be mitigated through rigorous contract monitoring and regular meetings with the providers.

## **5. EQUALITIES AND DIVERSITY ISSUES**

- 5.1 The organisation tendering for Healthwatch supplied their Equalities Policy as part of their tender documentation and this provides satisfactory evidence that they can comply with the public sector equality duty as set out in the 2010 Equality Act.
- 5.2 One of the specific objectives in the tender specification was to engage all parts of the community including those traditionally underrepresented communities – specifically young people and disabled people - and harder to reach communities and support their participation. A method statement was supplied and evaluated, and this will be monitored as part of the contract.

## **6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

- 6.1 Local Authorities are allocated funding for Healthwatch (which is not ring fenced) through two routes, the existing allocation to local authorities as part of the DCLG Business Rates Retention Scheme (BRRS) baseline funding; and a new grant of £16.5 million nationally, funded jointly by the BRRS and Department of Health grant, paid over to reflect the additional responsibilities Local Authorities will be inheriting in respect of information and signposting from the former Primary Care Trusts.
- 6.2 In respect of the former, £100,000 is already in base budget, to cover the cost of contracting with a host for the former Local Involvement Network. Barnet's annual **additional** allocation from the new grant is £98,310 per annum, making a total allocation of £198,310. This is entirely a separate matter from Public Health Transition Funding.
- 6.3 The contract sum in the tender received is £592,083, representing £197,361 per annum, and is therefore within this budget. The contract will commence on 1 April 2013 and expire on 31 March 2016. The contract provides for a further extension of up to two years which, if implemented, would give a total contract value of £986,805.
- 6.4 Tenderers were advised in the tender pack that existing levels of funding had only been confirmed by Central Government until 2013/14 and the tender supplied provides a plan for how outputs would be adjusted downwards by a corresponding amount should there be a funding reduction.

## **7. LEGAL ISSUES**

- 7.1 Section 182 to 184 of the Health and Social Care Act 2012, and regulations subsequently issued under these sections, govern the establishment of Healthwatch, its functions and the responsibility of local authorities to commission Local Healthwatch.

## **8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)**

- 8.1 Council Constitution, Part 3, Section 3.6 sets out the functions of the Cabinet Resources Committee.
- 8.2 Council Constitution, Part 4, Contract Procedure Rules – as this contract was included in the Procurement Plan for 2012/13, acceptance of this contract would ordinarily rest with the Cabinet Member. However, despite running a competitive procurement process and nine organisations accessing tender packs, only one bid was submitted. As a consequence, the Committee are being requested to approve a waiver of Contract Procedure Rules which state that where less than two bids are returned for contracts with a value of between £173,933 and £499,999 then justification must be evident to proceed (Table 6-1, Barnet tendering and quotation thresholds for works, supplies and services). Contract Procedure Rule 5.8 provides that the rules can be waived on the decision of a Cabinet committee where the nature of the market for the

works to be carried out or the supplies or services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of Contract Procedure Rules is justifiable for the reasons set out in paragraph 9.8 below.

## **9. BACKGROUND INFORMATION**

9.1 The Government, in its Health White Paper in 2010, announced proposals for a new statutory body, Healthwatch, to act as the new consumer champion for both health and social care, which among other things would replace Local Involvement Networks (LINKS). There would be a national body, Healthwatch England which would be part of the Care Quality Commission, while local authorities would be responsible for commissioning a Healthwatch in their area, intended to give citizens and communities a stronger voice to influence and challenge how health and social care services are provided within their locality. Following the passage of the Health and Social Care Act 2012, a local Healthwatch must be procured by 1 April 2013.

9.2 The key role of a local Healthwatch is to:

- ensure that the views and feedback from people who use services, carers and members of the public are integral to local commissioning (as LINK currently, but embedded further into the system e.g. through having a seat on the Health and Well-Being Board);
- provide advocacy and support to people and help them to make choices about services In particular, those who lack the means or capacity to make choices; for example, helping them choose which GP to register with;
- help people to make complaints;
- provide intelligence for Healthwatch England about the quality of providers

9.3 Local Healthwatches will take on the functions of LINKS in allowing people to have their say on health and care services including powers for Enter and View visits. However, they also inherit a wider role in information signposting and helping people to be aware of their choices over health and care services- in doing so they are taking on functions from the Patient Advice and Liaison Service (PALS) previously provided by Primary Care Trusts.

9.4 Local Authorities were given the option of procuring a new service either through a competitive process or grant-in-aid. The Council chose the former option and held a market day in August 2012 to outline Barnet's vision for Healthwatch and seek views and feedback on a proposed outline specification. This was well attended by a number of potential bidders as well as interested community members.

9.5 The tender was advertised in November 2012 through the Procure4London web portal and nine organisations registered for tender packs. However, only one bid was submitted. Feedback from other London Boroughs suggests that there has been a low level of market interest in local Healthwatch contracts.

9.6 The bid received was from CommUNITY Barnet, in the sum of £197,361 per annum for three years. Their bid was a consortium with a wide variety of local

organisations who will be sub-contracted to do discrete parts of work. For example, Barnet Citizens Advice Bureau will act as the ‘front door’ for enquiries about health and social care services. Other key partners include Advocacy in Barnet, Barnet Centre for Independent Living, Age UK, MIND in Barnet, Barnet Carers Centre, Barnet Mencap, Home Start Barnet and Jewish Care.

- 9.6 Bids were evaluated as follows: Commercial Questionnaire- 10%; Price- 30%; and Quality – 60%. A minimum score of 70% was required on quality grounds.
- 9.7 A number of community representatives were recruited through the LINK and through Partnership Boards and trained up to participate with council officers and the Clinical Commissioning Group in tender evaluation. A panel interview was held with the tenderer and some of their consortium members, and further questions submitted for written response. These were evaluated and scored by both the community and statutory sector to form the quality part of the evaluation. The bid received an average quality score of over 70% and the process was also helpful in identifying the areas for improvement which will need to be most closely monitored when the contract commences. In addition Barnet Healthwatch will be required to work with the Council and other partners to implement the recommendations on Healthwatches from the report of the public inquiry into Mid Staffordshire NHS Foundation Trust by Robert Francis QC.
- 9.8 Despite receiving only one bid, it is recommended that the Council proceed with contract award. Contract Procedure Rules, Table 6-1 provides that for contract value over £173,934, tendering process or other approved route is required. If less than 2 bids are returned then justification must be evident to proceed. This recommendation is made on the grounds that the bid submitted is within the available budget and of sufficient quality, there is limited evidence elsewhere of a fully developed market, and the need to have a new service in place for 1 April 2013 when functions are transferred from predecessor bodies.
- 9.9 It is therefore recommended that CommUNITY Barnet are awarded the contract for the delivery of Barnet Healthwatch for the period 1 April 2013- 31 March 2016, with an option in the contract to extend up to a further two years.

## 10. LIST OF BACKGROUND PAPERS

- 10.1 Local Healthwatch funding- Dept of Health/Local Government Association factsheet October 2012

<b>Cleared by Finance (Officer's initials)</b>	<b>JH/MC</b>
<b>Cleared by Legal (Officer's initials)</b>	<b>PJ</b>