

HEALTH AND WELLBEING BOARD

31 January 2017

Title: CONTRACT: Recommissioning Healthwatch Barking and Dagenham	
Report of the Strategic Director Service Development and Integration, London Borough of Barking and Dagenham	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
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Board Sponsor: Anne Bristow, Strategic Director Service Development and Integration, London Borough of Barking and Dagenham	
Accountable Director: Mark Tyson, Commissioning Director; Adult's Care & Support, London Borough of Barking and Dagenham	
Summary: <p>Local authorities are required to commission a local Healthwatch organisation under the Health and Social Care Act 2012. Healthwatch acts as a consumer champion for users of health and social care services, making sure that people know where to go to raise concerns and obtain information about health and social care services, that people's views and experiences are heard, improving scrutiny of health and social care services and helping local people to influence commissioning decisions.</p> <p>Healthwatch is a key part of the local health and social care landscape, it has a statutory place on the health and wellbeing board where it can share evidence and feedback on what people think about their health and social care services to system leaders to ensure that services meet the needs of and are shaped by local communities. It can also enter and view services such as care homes and hospitals, observe what is happening and report back to commissioners.</p> <p>Healthwatch is currently provided by Harmony House CIC, but the contract is due to expire and needs to be recommissioned. The report sets out the reasons behind procuring a new Healthwatch service and the process behind it.</p>	
Recommendation(s) <p>The Health and Wellbeing Board is recommended to:</p> <ul style="list-style-type: none">(i) Agree that the Council proceeds with the procurement of a contract for a local Healthwatch for Barking and Dagenham in accordance with the strategy set out in this report.(ii) Delegate authority to the Strategic Director Service Development and Integration, in consultation with the relevant Cabinet Member(s), the Strategic Director of	

Finance and Investment and the Director of Law and Governance, to conduct the procurement and enter into the contract and all other necessary or ancillary agreements with the successful bidder(s) in accordance with the strategy set out in the report

Reason(s)

The Health and Social Care Act 2012 established a new consumer champion for users of health and social care services called Healthwatch. Local authorities are required to commission a local Healthwatch organisation from 1 April 2013.

Providing a local Healthwatch for Barking and Dagenham service will enable residents to continue to give citizens a stronger voice to influence and challenge how health and social care is delivered. The service promotes the Council's vision of 'One Borough; One Community; London's Growth Opportunity' and particularly the priorities of:

- Encouraging civic pride by “promoting a welcoming, safe and resilient community” and “build civic responsibility and help residents shape their quality of life”.
- “Encouraging Social Responsibility” by “protecting the most vulnerable, keeping adults healthy and safe” and “Support residents to take responsibility for themselves, their homes and their community

1 Introduction and Background

- 1.1 The Health and Social Care Act 2012 established a new consumer champion for users of health and social care services called Healthwatch, which supports the aim of placing users and the public must be at the heart of all health and social care service delivery. Local authorities are required to commission a local Healthwatch organisation from 1 April 2013.
- 1.2 National guidance specifies the key functions that Healthwatch must deliver, but leaves the local specification up to local authorities to determine the best model to meet the needs of their local residents.
- 1.3 The Health and Social Care Act 2012 also states Healthwatch must be an independently constituted corporate body, which is a social enterprise, not for profit, able to carry out corporate functions, employ people and sub-contract where it chooses.
- 1.4 The national vision for Healthwatch is a body which will give local communities a bigger say in how health and social care services are planned, commissioned, delivered and monitored. Healthwatch will ensure services meet the health and wellbeing needs of local people and groups, and address health inequalities. It will strengthen the voice of local people and groups, helping them to challenge poor quality services.
- 1.5 In addition the Care Act 2014 places a new duty on local authorities in relation to the provision of care and support from April 1 2015. As part of this an effective local Healthwatch will appropriately challenge and engage.
- 1.6 Healthwatch Barking and Dagenham has been in place since the 1st April 2013. Healthwatch Barking and Dagenham is an independent organization as required by the Health and Social Care Act 2012 and is delivered through the general

governance arrangements of Harmony House Community Interest Company. Harmony House won the contract to deliver Healthwatch through a competitive process.

- 1.7 Healthwatch Barking and Dagenham is provided via a hub and spoke model, with Healthwatch as the central organisation (hub) which meets the locally specified aims and objectives, with issues and concerns fed up and down through a network of local organisations (spokes) and through establishing connections with local residents not connected to the groups.
- 1.8 The key outcomes for Healthwatch Barking and Dagenham are:
 - People know where to go to raise concerns and obtain information about health and social care services.
 - People's views and experiences are heard.
 - Improved scrutiny of health and social care services.
 - Commissioning decisions influenced by local people.
- 1.9 Under the Healthwatch regulations, local Healthwatch organisations have the power to Enter and View health and social care providers so that authorised representatives can observe matters relating to health and social care services. Organisations must allow authorised representatives to Enter and View and observe activities on premises controlled by the provider as long as this does not affect the provision of care or the privacy and dignity of people using services. Healthwatch produces a report and recommendations from each Enter and View visit, which is published online and circulated to partners. Enter and View reports are reported in regularly scheduled updates to the Health and Social Services Select Committee.
- 1.10 Healthwatch are also required to produce an annual report, which is submitted to Healthwatch England, published online and is formally received by the Health and Wellbeing Board.
- 1.11 The contract for Healthwatch Barking and Dagenham includes a performance framework, which requires them to submit regular service, organisational and financial information. As a minimum Healthwatch Barking and Dagenham provides quarterly monitoring reports on performance measures, which are based on service outcomes tied to the key outcomes identified above. Quarterly monitoring meetings by the officer monitoring the contract take place where performance information is discussed. In addition, numerous contacts outside monitoring meetings take place where ad-hoc issues and performance can be discussed.
- 1.12 The contract for Healthwatch provision ends on 31 March 2017. Due to delays in the recommissioning of this service, a waiver to extend the current contract until 30 June 2017 via direct award under delegated authority is being prepared. This will allow existing service delivery to continue while the procurement exercise described in this report takes place.
- 1.13 The upcoming end of the current contract for Healthwatch Barking and Dagenham offers an opportunity to assess what Healthwatch has achieved so far and what Barking and Dagenham requires from a local health and social care watchdog in the future.

2 Procurement Strategy

Outline specification of the works, goods or services being procured.

- 2.1 An award for a two year contract with the option to extend for further 1+1 years will be made. The successful provider will provide a local Healthwatch for Barking and Dagenham that will fulfil the following criteria;
- Provide information and advice to the public about accessing health and social care services and choice in relation to those services.
 - Make the views and experiences of people known to Healthwatch England helping it to carry out its role as national champion.
 - Make recommendations to Healthwatch England to advise the Care Quality Commission to carry out special reviews or investigations into areas of concern.
 - Promote and support the involvement of people in the monitoring, commissioning and provision of local health and social care services.
 - Obtain the views of people about their needs for and experience of local health and social care services and make those views known to those involved in the commissioning and scrutiny of care services
 - Make reports and make recommendations about how those services could or should be improved

Estimated Contract Value, including the value of any uplift or extension period.

- 2.2 The current contract is £125,000 per annum, which is towards the lower end of the spectrum in terms of comparable cost with other Healthwatch organisations in London, with benchmarking information from the London Healthwatch Commissioners Network indicating a range of value in contracts from £100,000 to £249,000 pa. In terms of per person spend on Healthwatch, figures presented at the National Healthwatch Commissioners Conference showed that nationally, spend per person ranges from £0.42 per person to £0.89 per person. In Barking and Dagenham spend is £0.62 per person.
- 2.3 The current Healthwatch contract is funded from two sources, the Local Reform and Community Voices Grant (LRCV) and from the Integration and Commissioning budget. The LRCV provides funding for Healthwatch, Deprivation of Liberty Safeguards in Hospitals and the Independent Complaints Advocacy Service. The grant was reduced by 25% from 2014/15 to 2015/16 and was maintained at the 2015/16 level for 2016/17. The LRCV for 2016/17 is £124,828, of which £51,330 is available for the provision of Healthwatch, with the remaining funding drawn from the Integration and Commissioning budget. There has been no indication as yet from central government as to whether the LRCV will continue as its current level for 2017/18, if there are further reductions this will represent a cost pressure to be managed within the Integration and Commissioning budget.
- 2.4 The Council has an indicative budget of £120,000 per annum for the provision of this service. Tenderers will therefore be required to submit prices up to £120,000 per annum. There is a proposed one-off payment of £10,000 in the first year of the contract to assist with set up costs.
- 2.5 The cost over the 4 year contract period is estimated to be £480,000 plus £10,000 one-off startup cost .

Duration of the contract, including any options for extension.

- 2.6 Healthwatch Barking and Dagenham will be procured in the first instance for a period of 2 years with an additional extension of one year (plus one year) dependent on satisfactory performance in line with the specification and available funding

Is the contract subject to (a) the (EU) Public Contracts Regulations 2015 or (b) Concession Contracts Regulations 2016? If Yes to (a) and contract is for services, are the services for social, health, education or other services subject to the Light Touch Regime?

- 2.7 Yes, but subject to the Light Touch Regime

Recommended procurement procedure and reasons for the recommendation.

- 2.8 The recommended route for this service is the open procurement procedure for the award of a 2 year contract from 1 July 2017 to 30 June 2019 with the option to extend for a further 1 (+1) year(s). As the procurement is a high value contract but below the EU procurement threshold under the light touch regime, there will be a formal invitation to tender with an advertisement on the Council website and Contracts Finder and compliance with EU principles of transparency and equal treatment. The procedure will cover the essentials required including information such as timescales, evaluation methodology and any scope for change / change management procedures. The contract will contain specific service requirements, and expected outcomes. Key performance indicators will be outlined in the service specification and agreed with the provider. Performance management of the service will be undertaken by LBBD by a named contract monitoring officer.
- 2.9 The Council will negotiate and issue the contract in line with the Council's standard terms and conditions for the provision of the service with a break and variation clauses. The contracts will include service specification requirements and expected outcomes. Key performance indicators will be outlined in the service specification and agreed with the providers. Performance management will be carried out by LBBD.

The contract delivery methodology and documentation to be adopted.

- 2.10 The Council's standard terms and conditions will be used for these contracts. The delivery option being adopted from the contract rules is: 15.1.(b) Getting a third party public or private body to provide the goods, services or works on behalf of the Council.
- 2.11 The provider will deliver against the terms of the contract, with objectives, outcomes and performance indicators set out in the service specification and agreed with the provider. Performance management of the service will be undertaken by LBBD by a named contract monitoring officer.

Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract.

- 2.12 Healthwatch Barking and Dagenham will provide information and advice to the public about accessing health and social care services, support the involvement of people in the monitoring, commissioning and provision of local health and social care services, make reports and make recommendations about how those services could or should be improved and champion the local voice.

2.13 LBBD will fulfil its statutory obligation to commission a local Healthwatch organisation, while the activities of Healthwatch will support the delivery of duties outlined in the Care Act 2014 and the borough's Joint Health and Wellbeing Strategy.

Criteria against which the tenderers are to be selected and contract is to be awarded.

2.14 The criteria on which the tenderers are to be selected are still under development and will be assessed by a 80:20, price:quality ratio. Provision will be made to include health partner and service user participation in the evaluation of the bidders.

2.15 An indicative timetable for the tender is set out below:

Milestone	Date
Health and Wellbeing Board	31 January 2017
Advert	February 2017
Tender Return Date	March 2017
Evaluation	March/April 2017
Award decision	April 2017
Service mobilisation	1 May 2017 – 30 June 2017
Contract start date	1 July 2017

How the procurement will address and implement the Council's Social Value policies.

2.16 The Council's social value responsibilities are taken through its vision: One borough; One Community; London's growth opportunity.

2.17 Healthwatch Barking and Dagenham supports residents to challenge health and social care services locally which potentially enables residents to access improved services locally. In addition, it will facilitate volunteering opportunities and involve residents at a board and implementation level.

3 Options Appraisal

Option 1: Do Nothing

3.1 This option is not viable as the Council has a statutory obligation to commission a local Healthwatch organisation. The current Healthwatch contract has been extended for the maximum duration and a re-tender of the service is therefore required.

Option 2: Joint commissioning of a Barking, Havering and Redbridge Healthwatch

3.2 Given the increased work around integration being carried out across the Barking, Havering and Redbridge health and care system, options were explored in commissioning an organisation that would provide a Healthwatch across the 3 boroughs. There was no agreement or commitment established to pursue this option, so it has been rejected, but can be explored again in any future commissioning of the service.

Option 3: Undertake Competitive Open Tender (preferred option)

- 3.3 An open tender allows for Healthwatch Barking and Dagenham to be reshaped to reflect the developments in the health and social care landscape over the 4 years since Healthwatch came into being. It also allows incorporation of Healthwatch England's Quality Statements (published March 2016), which clarifies the role of Healthwatch. The open tender route allows for a wider net for potential bidders and is a transparent process which ensures that the most economically advantageous tender to the Council (i.e. with the best price and meeting all the technical requirements of the service) is awarded the contract.

Waiver

- 3.4 Not applicable

4 Mandatory Implications

Joint Strategic Needs Assessment

- 4.1 The provision of a local Healthwatch aligns well with the strategic recommendations of the Joint Strategic Needs Assessment, particularly around providing a voice for and information to residents that helps to address health inequalities within Barking and Dagenham.

Health and Wellbeing Strategy

- 4.2 Healthwatch plays a key role in the health and care system in the borough and supports the delivery of the Health and Wellbeing Strategy, particularly around raising the concerns of people regarding the many health challenges the borough faces, raising the profile of public opinion and, through Enter and View, improving the quality of services.

Integration

- 4.3 Healthwatch plays a key role in the health and care system in the borough, providing a community voice for residents and local service users, carrying out reviews and visits of health and social care providers and has an integral role within the governance of the health and care system.

Financial implications

Implications completed by: Katherine Heffernan, Group Finance Manager.

- 4.4 There is a budget provision of £125,000 to cover the costs of the existing Healthwatch currently provided by Harmony House CIC within the existing Adults' Care & Support Commissioning budgets.
- 4.5 This is made up of the council's general fund of £73,670 and a Department of Health Local Reform and Community Voices Grant (LRCV) of £51,330.
- 4.6 The LRCV allocation for 2017-18 onwards has not yet been announced at the date of this report, therefore it is proposed that a possible reduction or loss in grant, either needs to be reflected in the proposed contract or contained within existing Adults' Care & Support Commissioning budgets.

Legal implications

Implications completed by: Bimpe Onafuwa, Contracts and Procurement Lawyer

- 4.7 This report is seeking permission to undertake a procurement exercise for the Healthwatch Service contract.
- 4.8 The Healthwatch Service falls within the description of services covered by the Light Touch regime (LTR) under the Public Contracts Regulations 2015. This regime requires that contracts with a value higher than the threshold of €750,000 (£589,148) be opened up to competition and be advertised in the Official Journal of the European Union (OJEU). The value of this contract is estimated to be below the LTR threshold, and as such is not subject to the full rigor of the Regulations.
- 4.9 This procurement will nevertheless have to be procured in line with the Council's Contract Rules which require contracts with a value of £50,000, or more, to be advertised and opened up to competition unless a waiver is obtained.
- 4.10 Clause 2.8 of this report states that the contract will be advertised both on the Council's website and on Contracts Finder, while clauses 2.14 and 2.15 outline the evaluation criteria for the tenders received and timetable for the procurement process respectively. These are elements of a transparent and fair procurement process.
- 4.11 The procuring directorate and report author are requested to keep the Law and Governance Team aware of the progress of this procurement so that legal assistance and advice are provided throughout the process.

Risk management

- 4.12 The following risks have been identified and mitigating actions put in place:
- Delay to procurement (Medium) - Set and follow a realistic timetable.
 - No tender received (Medium) - Clear budget identified in line with current spend and London-wide spread of Healthwatch costs. Tender to be advertised as set out in the report.
 - Contract award decision challenged by unsuccessful provider(s) (Low) - Procure contract in line with Council's contract rules and ensure process followed.
 - Provider fails to meet contractual obligations (Medium) - Clear set of outcomes set out in service specification and agreed with provider. Robust and regular performance monitoring and procedures with performance indicators.

Patient / Service User Impact

- 4.13 The general population of Barking and Dagenham is very diverse in terms of faith, ethnicity, culture, language, gender and sexuality. Providers are expected to develop a diverse workforce and promote sensitive and appropriate service delivery. Healthwatch Barking and Dagenham will be expected to demonstrate a commitment to ensuring that their services meet the diverse needs of the local community.
- 4.14 Healthwatch Barking and Dagenham must be inclusive and diverse in its make-up and will need to operate in different formats and methods of involvement and communication. Healthwatch Barking and Dagenham must provide a service appropriate to people's needs and shall not discriminate under any grounds, in terms either of participation or of obtaining and representing people's views and experiences.

4.15 The service being provided works with residents facing challenges in the current economic environment. As such this contract will support the residents in the borough who are primarily challenged socio-economically. Due to the demographic profile of the borough a significant number will be most deprived, from BAMER backgrounds, and with disabilities.

5 Non-mandatory implications

TUPE, other staffing and trade union implications.

5.1 TUPE regulations will apply to 2 full time posts currently within Healthwatch, representing combined costs of £56,000. Terms and conditions of those posts will be made available to tenderers.

Safeguarding Children

5.2 Healthwatch Barking and Dagenham must be committed to safeguarding and promoting the welfare of children, young people and vulnerable adults and expects all staff and volunteers to share this commitment. Staff and volunteers must be effectively trained in all aspects of safeguarding legislation and practice and follow the pan London multi-agency policy and procedures to safeguard adults and children from abuse. Healthwatch Barking and Dagenham shall prepare its own internal guidelines to protect adults from abuse that is consistent with the multi-agency policy and procedures.

5.3 In addition, Healthwatch Barking and Dagenham should have clear policies and procedures for the following:

- Child Protection
- Whistle blowing
- Complaints
- Confidentiality
- Health and Safety

5.4 Healthwatch will also need to be aware of its new requirements under the draft Care and Support bill to input into the strategic plan of the Safeguarding Adults Board (SAB) and putting forward the voice of the local community.

Corporate Procurement

Implications completed by: Adebimpe Winjobi, Senior Procurement and Contracts Manager

5.5 The service being procured falls within the description of services covered by the Light Touch Regime (LTR) under the Public Contracts Regulations 2015. The value of this contract, is estimated to be below the LTR threshold for such services (currently set as £589,148) and as such need not be advertised in the Official Journal of the European Union (OJEU) as required by the Regulations. Notwithstanding, the Regulation and the Council's Contract Rules require contracts with a value of £50,000 or more to be advertised and opened up to competition.

5.6 In keeping with the EU procurement principles, it is imperative that the contract is tendered in a competitive way and that the process undertaken is transparent, non-discriminatory and ensures the equal treatment of bidders. The proposed procurement route to tender this service via Open Procedure will widen the

competition and provide best competition to get best value for money for the Council and will be compliant with the Council's Contract Rules and EU Regulations.

- 5.7 Corporate procurement will provide the required support to the responsible officers throughout the entire process.

Background Papers Used in the Preparation of the Report:

Barking and Dagenham Health and Wellbeing Strategy

https://www.lbbd.gov.uk/wp-content/uploads/2014/11/JHWS_A4_30-9-15_RF.pdf

Local Healthwatch Quality Statements

http://m.healthwatch.co.uk/sites/healthwatch.co.uk/files/20160222quality_statements_1.pdf