

**DRAFT - Healthwatch Procurement Strategy and Business Case Appendix**

**1. Summary**

This document sets out the procurement strategy and business case covering the elements required by the constitution's contract standing order 8.11.

**2. Need for expenditure and priority**

As a consumer champion Healthwatch provision fits with the council's priority to do things with residents not to them and take pride in the borough. In championing quality in health and social care services, healthwatch also works to ensure the council delivers on its compassionate council priority. Expenditure on healthwatch is required to fulfil our statutory duty to commission this service as set out in the Health and Social Care Act 2012 and meet the wider requirements of the Care Act 2014. Healthwatch forms a vital part of the health and social care landscape with a statutory place on the Health and wellbeing board.

**3. Procurement approach**

The Health and Social Care Act 2012 and associated guidance set out a requirement for the Healthwatch service to be commissioned as 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. Therefore, external sourcing or a framework agreement are the main procurement approach options. In this instance because of the need for a locally focussed resource and the lack of a local live framework opportunity, external sourcing is the approach chosen.

An award for a two-year contract with the option to extend for further 1+1 years is recommended dependent on satisfactory performance in line with the specification and available funding. This will ensure a balance between securing a provider to offer the service and enabling opportunity to review the provision at the 2-year mark in light of the context, available funding and performance.

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

The estimated value is considered a true reflection of the proposed contract value given the following analysis:

- The current contract cost for H&F is £140,000 a year, which falls just below the mid-point on the spectrum for comparable total annual cost for Healthwatch in London (2018/2019 benchmarking information Healthwatch England indicates a range of annual contract value in contracts from £75,000 to £225,115).
- The current contract spend translates as £0.76 per head of population as a rate, which places it as one of the highest rates in London (2018/2019 benchmarking information from Healthwatch England indicates spend per head of population ranges from £0.26 per person to £0.96 per person. The average spend per head in London on Healthwatch is £0.54).

A move to a locally focussed service with a 12.5% reduction to the overall contract value from £140,000 to £122,500, would result in a H&F spend per head of £0.66 per head, well above the average spend for London on this service.

The proposal is to set an indicative budget of £122,500 per annum for the provision of this service. Tenderers will therefore be required to submit prices at fixed price of £122,500 per annum. The cost over the 4-year contract period (inclusive of possible extensions) is estimated to be £490,000.

#### **5. Consultation**

The service itself enables independent engagement and consultation of residents about the quality of health and social care and a consumer champion for improvements. The commissioning of this service has been informed by the consultation undertaken to date through the function. Our organisation will benefit from the insight secured by the recommissioned provision.

#### **6. Procurement type**

The proposed procurement procedure is open and not restricted given the small market size. The recommendation is for the award of a 2 - year contract from 1 January 2020 to 31 December 2022 with the option to extend for a further 1 (+1) year(s). The anticipated cost (including possible extensions) of £490,000 over 4 years falls below the threshold of £615,278 for 'Social and other specific services,' under the EU Public contracts regulations 2015.

As the procurement is a medium 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 the government 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 H&F by a named contract monitoring officer.

#### **7. Market**

Preliminary market review highlights that the draft specification and terms and condition are achievable being akin to those recently procured by other boroughs. Healthwatch was a new statutory requirement from 2012 requiring contracts to be with a managing organisation who would then set up the separate Healthwatch social enterprise for the area, on behalf of the council. The common managing bodies which took on these contracts originally were: management organisations in field of community engagement, Councils for Voluntary Service, infrastructure organisations and some client group specific advice and guidance agencies.

## **8. Main provisions of contract**

### *Details of the main provisions contained in the draft specification*

The successful provider needs to ensure a local Healthwatch body for H&F which will fulfil the following criteria:

- Promote and support the involvement of a diverse range of people in the monitoring, commissioning and provision of local health and social care services through membership of local residents, service users. This should include non-members and information flow between member and non-members.
- Make reports and recommendations about how those services could or should be improved.
- Play an active part in supporting the development of the Council's information and advice strategy being developed as part of the whole system integrated health and social care offer and to ensure Care Act compliance. Provide information and advice to the public about accessing health and social care services and choice in relation to aspects of those services
- Represent the views of the whole community, patients and service users on Health and Well-being Board
- Make the views and experiences of the broad range of people and communities known to Healthwatch England helping it to carry out its role as national champion
- Make recommendations to Healthwatch England to advise the CQC to carry out special reviews or investigations into areas of concern (or, if the circumstances justify it, go direct to the CQC with their recommendations, for example if urgent action were required by the CQC)

## **9. Minor variations on standard terms and conditions anticipated**

These include:

- Inclusion of the requirement for a provider to take on ensuring a healthwatch body is created
- Increased recognition of social value
- Recognition of the independence required of Healthwatch as well as the need for contract management

## **10. Evaluation criteria to be used**

The procurement seeks to secure a service for a fixed price with evaluation split: 80% technical and 20% commercial. Provision will be made to include health partner and service user participation in the evaluation of the bidders.

For the technical component - core questions covering the following elements will enable an assessment of a potential provider's ability to fulfil the main provisions of the contract:

- Understanding Hammersmith and Fulham and its residents and their collective views
- Understanding Health and social care landscape and key levers for influence
- Ability to assess and review of public services in line with national guidelines for Healthwatch
- Ability to engage and influence - tracking delivery of action and outcomes
- Facilitation of coproduction through training, advocacy and advice

- Information and advice for residents with onward referral to complaints advocacy

For the commercial component – levels of activity informed by consultation to complete the specification will enable assessment including:

- Research, reports and interventions made to highlight key issues and influence change
- Active and diverse membership including service users, carers from often underrepresented communities
- Active and diverse set of volunteers involved in activity of body
- Access to networks

#### **11. Social Value requirements**

Proposed tender documents address statutory requirements contained in the Public Services (Social Value) Act 2012. The draft specification and resultant service is anticipated to secure wider social, economic and environmental benefits for the community through the influence it exerts to secure improvements to health and social care services, its role in enhancing community resilience as a key lifeline to people using health and care services which are not working well and on a practical level in the way it offers opportunities for local people to become more active in the community through membership of Healthwatch and volunteering opportunities.

#### **12. Indicative Procurement Timetable**

<b>Milestone</b>	<b>Date</b>
Advert	February 2019
Tender Return	April 2019
Evaluation	May – June 2019
Award decision	July 2019
Service mobilisation	October – December 2019
Contract start date	1 <sup>st</sup> January 2020