

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cllr Sanderson, Deputy Leader of Hammersmith and Fulham Council

Date: 03/06/2025

Subject: Contract Award for the provision of Local Healthwatch Services in Hammersmith and Fulham

Report author: Jessie Ellis, Programme Lead

Report of: Jacqui McShannon, Executive Director of People

Responsible Director: Katharine Willmette, Director of Adult Social Care

SUMMARY

This report seeks approval to award a contract for the provision of Local Healthwatch services for four years with two options to extend for further periods each of three years to the Preferred Bidder. The proposed contract will commence on 1st September 2025 and have an annual value of £110,000.

The Health and Social Care Act 2012 places a statutory duty on local authorities to commission a local Healthwatch organisation.

On 20th January 2025 Cabinet approved a Procurement Strategy for the recommission of the service. This report sets out the implementation of the strategy and explains the rationale for recommending the award of contract.

RECOMMENDATIONS

That the Deputy Leader:

1. Agrees Appendix 1 is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
2. Awards the contract for the provision of Local Healthwatch services to the Preferred Bidder for an initial term of four years commencing 1st September 2025 for the annual cost of £110,000 with two options to extend for further periods each of three years.

Wards Affected: (Give the Wards directly affected, or “None” or “All”)

Our Values	Summary of how this report aligns to the H&F Corporate Plan and the H&F Values
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Building shared prosperity	Healthwatch strives to improve quality and accessibility of health and social care services for all residents in H&F.
Creating a compassionate and inclusive council	The core purpose of Healthwatch is to ensure that the views of the public shape local health and care services by listening and gathering the voices of residents, especially those from diverse and hard to reach communities whose voices are seldom heard.
Doing things with local residents, not to them	As well as seeking the public's views, Healthwatch encourages health and social care services to involve people in decisions that affect them. Healthwatch has the power to make sure that those in charge of health and social care services listen to and act on what people want from care and support.
Being ruthlessly financially efficient	Healthwatch is set apart from the statutory, voluntary and community sectors they work within. They perform public functions and fulfil statutory duties. The outputs of the service will enable commissioners and others to hold organisations to account, monitor and improve the quality of the service and value for money and ensure that services are designed and delivered to best meet the needs of the people they serve.
Taking pride in H&F	Healthwatch ensures that those in charge of health and care services hear resident's voices and that their views shape the support they need. In turn, this improves the quality of health and social care services being delivered across the borough.
Rising to the challenge of the climate and ecological emergency	Keeping services in-borough reduces transport emissions as residents don't have to travel further to access the service. The service will be able to raise awareness and monitor the health impacts of climate change, through engaging with the local community and advocating for policy change.

Financial Impact

Director of Finance Comments

The recommendation in paragraph 2 above to award a contract for the provision of Healthwatch services to the preferred bidder will have an annual cost commitment of £110,000. The contract term which is effective from 1st September 2025 for an initial four years to 31st August 2029, will cost £440,000 and give rise to the following part year effects.

2025/26	£64,167
2026/27	£110,000
2027/28	£110,000
2028/29	£110,000
2029/ 30	£45,833
Total	£440,000

This 2025/6 cost commitment can be funded from the existing Third Sector 2025/6 general fund budget. Subsequent years will be subject to budget approval sign-off for the year(s) in question.

The option to extend an additional two times for a further three plus three years means that the potential lifetime cost of the contract would be £1,100,000

Finance comments checked by:-

Name: Cheryl Anglin-Thompson

Role: Principal Accountant ASC/PH Commissioning & Health

Date: 21st May 2025

Finance comments verified by:-

Name: James Newman

Role: AD Finance

Date: 28 May 2025

Legal Implications

This report recommends that the Cabinet Member approves the award of Local Healthwatch services to the preferred bidder for 4 years with the option to extend for a further 6 years. For light touch contracts of this value procured before 24th February 2025, the Council is required to comply with the Public Contracts Regulations 2015 ('PCR'). The use of the open procedure complied with the PCR.

The appropriate decision maker is the Cabinet Member.

Angela Hogan, Chief Solicitor (Contracts and Procurement) 23rd May 2025

Background Papers Used in Preparing This Report

- Healthwatch Procurement Strategy, January 2025

DETAILED ANALYSIS

Background

1. The Healthwatch Procurement Strategy was approved by the Deputy Leader on 20th January 2025 and recommended conducting an Open procedure procurement due to the relatively small market size.
2. The report recommended the contract be let with a predetermined annual contract sum of £110,000 to prevent tenders being received which would have exceeded budgetary provision.
3. The report recommended an evaluation methodology with a technical commercial ratio of 60:40. As the contract sum was predetermined the commercial evaluation of the bids would be based on contact hours provided and staff costs ratios.

Proposals and Analysis of Options

Option 1: Award the contract on the basis of the conducted procurement

This option is recommended as it fulfils H&F's legal and statutory requirements to provide a local Healthwatch. A robust, transparent and lawful procurement has been conducted resulting in the recommendation that the contract be awarded to the Preferred Bidder. This option is recommended.

Option 2: Do not award the contract

The current contract expires on 31 August 2025. If the contract is not awarded there will be no Local Healthwatch Services and the council will be in breach of its statutory duty. This option is not recommended.

Procurement process and method

1. The chosen procurement route taken was considered the best and most compliant commissioning option to select a Healthwatch service in Hammersmith and Fulham.
2. The Procurement Strategy recommended using an open procedure procurement route. Tenders were evaluated using a quality/price ratio of 60:40 with the contract awarded to the tenderer who submitted the most economically advantageous tender (MEAT).
3. The contract is to be awarded for an initial term of four years with the council being entitled, at its absolute discretion, to extend the contract term twice for a further three years, making a maximum total contract period of ten years
4. A Contracts Notice was published on the UK's e-notification service, Find a Tender (FTS). <https://www.find-tender.service.gov.uk/Notice/040261-2024> The opportunity was published on CapitalEsourcing, the procurement portal used by the council, on 3rd February 2025. On this date further notice of the procurement opportunity was published on [Contracts Finder](#).
5. Tenderers were given from 3rd February to 3rd March 2025 to submit tenders. Two tenders were received by the closing date. Both tenders were first checked

for completeness, compliance and legality. As a one stage open procedure was being used, both tenders had to meet the requirements of a Qualification stage which assessed their general suitability, economic and financial standing and insurances held. This stage of the evaluation also ensured neither tender met the grounds for discretionary and mandatory exclusion from the procurement process. Both tenders satisfied the qualification stage of the evaluation which enabled their technical and commercial submissions to be evaluated.

Qualification evaluation

6. The Qualification envelope contains the Standard Selection Questionnaire. Only if a tender passes all elements of the Qualification envelope will the corresponding Technical and Commercial envelopes be evaluated
7. The Qualification envelope requires a tenderer to provide basic information about the organisation submitting the tender and be awarded a pass mark for the following sections:
 - Grounds for Mandatory Exclusion
 - Grounds for Discretionary Exclusion
 - Economic and Financial Standing
 - Technical and Professional Ability
 - Modern Slavery Act 2015
 - Insurance
 - Previous experience
8. Regarding the Economic and Financial Standing test officers have verified, using Creditsafe and submitted accounts, that tenderers do satisfy this test.

Technical evaluation

9. The Technical envelope required tenderers to submit method statements for evaluation. Social Value was exempt from this procurement.
10. The method statement areas for the technical response were:
 - Leadership and Decision Making (weighted at 30%)
 - Engagement, Involvement and Reach (weighted at 25%)
 - People (weighted at 20%)
 - Collaboration (weighted at 15%)
 - Influence and Impact (weighted at 10%)
11. Each method statement was individually evaluated by officers using a scoring matrix of 0 to 5 with the following ratings:
 - 0 – unacceptable (fail)
 - 1 – poor (fail)
 - 2 - fair
 - 3 - satisfactory
 - 4 – good
 - 5 - excellent

Commercial evaluation

12. The Commercial envelope required tenderers to submit costs for the number of staff contact hours per annum and direct staff costs ratio.

Reasons for Decision

13. Following a robust procurement and assessment process it is proposed the contract will be awarded to the provider who submitted the most economically advantageous tender (MEAT).
14. By awarding a four-year contract to the Preferred Bidder this will ensure the council adheres to its statutory duties to provide a local Healthwatch and the views of residents are fed into improving local health and care services.

Equality Implications

15. Healthwatch promotes and protects equality and human rights for everyone who uses health and social care services. They are committed to actively seeking the opinions of hard-to-reach communities, ensuring that their voices are heard, and their needs are addressed, as outlined in the service specification. They are subject to the Public Sector Equality Duty under the Equality Act 2010. Healthwatch ensures that their services are inclusive, equitable, and responsive to the diverse needs of the entire community

Risk Management Implications

16. There are no significant risks associated to this report.

Jules Binney, Risk and Assurance Manager, 21st May 2025

Climate and Ecological Emergency Implications

17. Keeping services in-borough reduces transport emissions as residents don't have to travel further to access the service. The service will be able to raise awareness and monitor the health impacts of climate change, through engaging with the local community and advocating for policy change.

Approved by Hinesh Mehta, Assistant Director Climate & Transport, 20/05/2025

Procurement implications

The procurement process has been carried out under PCR 2015 regulations and has been supported by members of the Procurement and Commercial team. If approval is given, we will support the service in the completion of the award documentation.

An Award Notice will be required to be published via the Find a Tender (FTS) via the Council's capital ESourcing eProcurement portal, and observe the standstill period before awarding the contract.

Contract standing orders require that any contract in excess of £5,000 be recorded on the Council's Contract Register in order to comply with Transparency Duties and in addition we are required under Public Contract Regulations to publish Contract Award Notice with the details of all contracts in excess of £30,000 (£25,000 ex VAT) on the governments Contract Finder.

A project must be created using the using the Council's capitalESourcing eProcurement portal and then create a contract entry (and upload a copy of the contract). A named contract manager must be allocated to the contract.

All calculations of the criteria scoring and weighting have been collated and then checked by two members of the procurement team

Jacqueline Rutherford Category Specialist 16th May 2025.

Consultation

18. As part of H&F's commitment to inclusivity and community engagement, a resident representative was part of the evaluation team for the Qualification envelope. This approach aligns with our broader objective of co-producing services with the community and reinforces the importance of resident voice.