




# Executive Decision Report

<b>Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken</b>	<i>Cabinet</i>  Date of decision: <i>8 February 2016</i> Key Decision List 39 – Period covered: February 2016 (published 11 December 2015)	
	<i>Cabinet Member for Voluntary Organisations and Resident Engagement</i>  Date of decision (i.e. not before): <i>TBC</i>  Forward Plan reference: 04612/15/V/AB	 THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
	<i>Director for Adult Social Care</i>  Date of meeting or formal issue (i.e. not before): <i>TBC</i>	 City of Westminster
<b>Report title (decision subject)</b>	<b>Procurement of Local Healthwatch Services for RBKC, H&amp;F and WCC</b>	
<b>Reporting officer</b>	<i>Tony Redpath, Director of Strategy and Local Services</i>	
<b>Key decision</b>	Yes	
<b>Access to information classification</b>	<b>Open Report</b>  A separate report on the exempt part of the Cabinet agenda provides exempt financial information.	

## 1. EXECUTIVE SUMMARY

- 1.1. This report provides information on the outcome of the commissioning process for Local Healthwatch (LHW) services in the Royal Borough of Kensington and Chelsea (RBKC), London Borough of Hammersmith and Fulham (LBHF) and Westminster City Council (WCC).
- 1.2. The report recommends that each of the three councils enters into a contract with the recommended service provider to deliver Local Healthwatch services in each borough

## **2. RECOMMENDATIONS**

### **2.1 For the London Borough of Hammersmith and Fulham**

- That Cabinet notes that the award of contract is recommended by the Tri-Borough Contracts Approval Board and the Director of Delivery and Value;
- That Cabinet agrees to the award of a contract for the provision of Local Healthwatch Services to Hestia Housing and Support in association with Local Healthwatch Central West London for the fixed period of 1 April 2016 to 31 March 2018 with the option to extend the contract until 31 March 2019; and
- That approval on whether to extend the contract to a third year be delegated to the Cabinet Member for Health and Adult Social Care.

### **2.2 For the Royal Borough of Kensington and Chelsea**

- That this report be exempt from disclosure by virtue of the Local Government Act 1972 Schedule 12A, Part 1, paragraph 3 (as amended) in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information);
- That the Cabinet Member for Resident Engagement and Voluntary Organisations, notes that the award of contract is recommended by the Tri-Borough Contracts Approval Board and Director of Strategy and Local Services; and
- That the Cabinet Member for Resident Engagement and Voluntary Organisations, agrees to the award of a contract for the provision of Local Healthwatch Services to Hestia Housing and Support in association with Local Healthwatch Central West London for the fixed period of 1 April 2016 to 31 March 2018 with the option to extend the contract until 31 March 2019.

### **2.3 For Westminster City Council**

- In view of the value of the new contract being below the required threshold for a decision by Westminster's Cabinet Member for Adults & Public Health, the decision will be delegated to the Executive Director of Adult Social Care. The Cabinet Member for Adults & Public Health has been fully briefed on the contract award.

### **3. REASONS FOR DECISION**

- 3.1. Officers are seeking a decision from the appropriate Cabinet Members to award the contract as a single contract for a period of two plus one years based on the tender submission received as part of a joint commissioning process.

### **4. BACKGROUND**

- 4.1. The Health and Social Care Act 2012 requires local authorities to establish Local Healthwatch services in their areas. The requirements set out in the Act mean the LHW will be expected to:

- Obtain the views of the wider community about their needs for and experience of local health and social care services and make those views known to those involved in the commissioning, provision and scrutiny of health and social care services;
- 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 and service users. This should include non-members and information flow between members 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; and
- Make recommendations to Healthwatch England to advise the Care Quality Commission 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).

### **5. PROPOSAL AND ISSUES**

- 5.1. The Department of Health's guidance states that it is up to each local authority to decide how it will commission and fund its Local Healthwatch. In the three authorities, full procurement was considered appropriate for the following reasons:

- The outcome of the discussions with stakeholders identified a preference for a commissioning process to identify an independent service;
- The skills and expertise needed to deliver a Local Healthwatch service is best drawn through a competitive process which requires an organisation to demonstrate its capability to do so; and
- There is also the need to ensure fairness and transparency so that the best possible outcome is achieved for all three boroughs and the communities they serve.

## **5.2. THE PROCUREMENT PROCESS**

- 5.2.1 The open procurement procedure was approved by relevant Cabinet members from the three Councils following which the contract was advertised to the market throughout the European Union as well as the UK
- 5.2.2 Nine organisations accessed the procurement documents through CapitalEsourcing. Tender submissions for Local Healthwatch services closed on 12 November with one bid submitted. The bid is a partnership arrangement between Hestia Housing and Support and Local Healthwatch Central West London.
- 5.2.3 A tender evaluation panel was established and members independently reviewed the tender submission. The panel was made up of officers from the three Councils with lead responsibilities for Local Healthwatch and Adult Social Care.
- 5.2.4 Clarifications were sought from Hestia on matters relating to the bid and commissioners are satisfied with the responses given.
- 5.2.5 Deliberations of the evaluation panel are now complete and the panel has concluded that the bid from Hestia Housing and Support meets all the necessary requirements set out in the evaluation criteria.
- 5.2.6 Appendix A sets out commercially sensitive information from the bidder and the evaluation panel's scores.

## **6. OPTIONS AND ANALYSIS**

- 6.1 The options for how Local Healthwatch services could be commissioned were explored through extensive discussions with appropriate officers and Cabinet Members. These discussions have led to the outcome and recommendations set out in this report.
- 6.2 In addition to Local Healthwatch, under section 223A of the Act, each local authority must arrange appropriate independent advocacy services in relation to its area. The three authorities have decided to commission this service through a pan-London procurement exercise and therefore the advocacy services do not feature in the Service Specification for Local Healthwatch services.

## **7. CONSULTATION**

- 7.1 The strategic approach and the Service Specification were the subject of extensive consultation with senior officers and Cabinet Members.
- 7.2 The Service Specification (which stipulates the nature of the contract being a shared service via a single contract) has had input from relevant officers from the service departments which Local Healthwatch services has/would ordinarily be expected to interact with.
- 7.3 In addition to Cabinet Members and officers, Scrutiny Committee (or equivalent) members also commented on the draft Service Specification. Feedback from all parties was then incorporated into the final version of the Service Specification
- 7.4 The delivery plan which will be agreed with the successful bidder will be informed by feedback from consultation with the general public on Local Healthwatch services.

## **8. EQUALITY IMPLICATIONS**

- 8.1 The current contractor, who is also the preferred bidder for this contract, has been delivering Local Healthwatch services with no known equalities issues.
- 8.2 Healthwatch works to represent the interests of people who use (or otherwise rely on) health and social care services in the three boroughs. As such, Healthwatch activities especially benefit those residents who are vulnerable either through mental or physical illness or disability, or who have caring responsibilities. LHW therefore has a positive effect on addressing inequality.

## **9. PROCUREMENT IMPLICATIONS**

- 9.1 The receipt of only one tender was not entirely unexpected. Several of the organisations that accessed the contract notice were companies and the law restricts providers to social enterprises. In addition, Local Healthwatch services are specialised and by definition, local in nature.
- 9.2 The procurement has been executed in accordance with European law and Regulations 74-76 of the Public Contracts Regulations 2015. Upon acceptance of the recommendations contained in this report, a Contract Award Notice will be published in the Official Journal of the European Union in due course.

## **10. LEGAL IMPLICATIONS**

- 10.1 Local Healthwatch services are a statutory requirement under the Health and Social Care Act 2012 and the proposed services fall within Social and Other Specific Services in Chapter 3 of the Public Contracts Regulations 2015 which are subject to a light touch regime under the said Regulations.

- 10.2 Local Healthwatch organisations must be a body corporate which is a social enterprise and they must satisfy such criteria as may be prescribed by the regulations made by the Secretary of State.
- 10.3 The procurement exercise undertaken using an Open Procedure was in compliance with the participating boroughs' transparency obligations for this joint procurement. The joint approach has been confirmed by the authorised representatives of the three participating boroughs with each borough retaining their sovereignty in the joint service contract with the selected provider.
- 10.4 Accordingly, the recommendations in the report are endorsed by Shared Legal Services.
- 10.5 Legal information in this report has been confirmed by Babul Mukherjee, Shared Legal Services.

## **11. FINANCIAL AND RESOURCES IMPLICATIONS**

- 11.1 The contract will be for two years with a one year optional extension for continuation or termination.
- 11.2 Budgets for each of the three boroughs for 2016/17 are as follows:
- RBKC - £153,000
  - Hammersmith and Fulham - £140,000
  - Westminster City Council - £157,000
- 11.3 The above figures are subject to funding from central government through the Local Government Settlement. Funding for Local Healthwatch services is made up of funding that used to be allocated to its predecessor (Local Involvement Network) and the new Local Reform and Community Voice Grant, both of which are non-ring fenced. Finance Managers from each of the three boroughs have confirmed local arrangements for each of the amounts stated above.
- 11.4 Budgets available to each of the three local authorities for 2016/17 were made known within the documentation to tenderers and accordingly, the bid received falls within the upper limits of the budget for each local authority.
- 11.5 Finance information confirmed by: Lyn Myers, Group Finance Manager, RBKC; Edwin Thomas, Interim Finance Manager, LBHF; and Avishka Kumarasinghe, ASC Finance Business Partner, WCC.

## **12. RISKS AND OPTIONS**

- 12.1 The commissioning of Local Healthwatch services is a statutory duty. Acceptance of the recommendation will fulfil that duty.

12.2 A rejection of the recommendation will necessitate a new procurement. Having advertised the opportunity as widely as possible, there is nothing to suggest that a different outcome is likely.

### **13. BUSINESS IMPLICATIONS**

13.1 Under the terms of the Health and Social Care Act, Local Healthwatch organisations must be a non-profit making 'body corporate'. Hestia Housing and Support is a charity with a base in north Kensington and, under the terms of the current contract, is the host organisation for Healthwatch Central West London, which covers Hammersmith & Fulham, Kensington and Chelsea and Westminster. In the new contract, this relationship will be a partnership, ensuring that Healthwatch services in all three boroughs continue to be managed and operated locally.

*Tony Redpath*  
**Director of Strategy and Local Services, RBKC**

*Kim Dero*  
**Director for Delivery and Value, LBHF**

*Liz Bruce*  
**Executive Director for Adult Social Care, WCC**

**Local Government Act 1972 (as amended) – Background papers used in the preparation of this report: None**

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