

PLYMOUTH CITY COUNCIL

Subject: Contract Award – HealthWatch
Committee: Cabinet
Date: 11 December 2012
Cabinet Member: Councillor McDonald
CMT Member: Carole Burgoyne (Director for People)
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Ref:
Key Decision: Yes
Part: 1

Purpose of the report:

This report summarises the recent tender process for the commissioning of HealthWatch Plymouth and recommends award of the contract to a single provider.

The Health and Social Care Act 2012 introduces significant change to the planning, commissioning and delivery of health and well-being services. A cornerstone of the reforms is the introduction of HealthWatch both at a national (HealthWatch England) and local level.

The reforms propose to replace LINKs (Local Involvement Networks) with local HealthWatch organisations, with the aim to give citizens and communities a stronger voice to influence and challenge how health and social care services are provided within their locality. This includes the provision of a statutory seat for HealthWatch on local Health and Wellbeing Boards.

Guidance from the Department of Health states that a Local HealthWatch would need to be in place by April 2013.

Whilst a Local HealthWatch is being commissioned Local Authorities are expected to continue to fund and support LINKs and to facilitate a smooth transition between the two entities.

Local Authorities have a duty to commission a Local HealthWatch and, under the localism agenda, to determine the shape and scope of provision.

The financial values involved in this tender required a full competitive procurement to take place in order to select the future provider. As such the HealthWatch service was competitively procured and contained the following elements:

Influencing – Local HealthWatch will present the views and experiences of local service users to local decision makers, as well as to HealthWatch England at the national level, so helping to shape the planning of health and adult social care services.

Signposting – Direct service users to sources of information to enable them to access health and adult social care services, thus promoting choice.

Watchdog – Local HealthWatch will champion quality and hold commissioners and providers to account and make recommendations to HealthWatch England, Local Authority Health and Adult Social Care Scrutiny and the Care Quality Commission (CQC) as necessary.

The service will cover the whole population for health services and adults for social care as per literature published by the Department of Health (DoH) and recommendations from the Department's HealthWatch team.

Government guidance requires that the provider of the service be a corporate body (i.e. a legal entity), which is a social enterprise.

Contract award information is submitted to Cabinet as a separate confidential report.

Corporate Plan 2012 – 2015:

The service will support the following priorities with the Corporate Plan 2012 – 2015:

- **Raise aspirations:** raise the skills and expectations of Plymouth residents.
- **Reduce inequalities:** reduce the large economic and health gaps between different areas of the city by tackling the causes.
- **Provide value for communities:** become more efficient and join up with partners and local residents to deliver services in new and better ways.

In addition, the commissioning of HealthWatch Plymouth is fully in line with the development of Plymouth City Council as a Co-operative Council as it supports the aims of;

- Devolving power and encouraging greater community engagement
- Community ownership of assets and services
- Greater control for individuals of the services they receive
- Supporting social enterprises
- Strengthening the community/voluntary sector

This service will also deliver against many of the themed commitments in the Corporate Plan, but specifically responds to the 'Open Plymouth' commitment by:

- Encouraging more people to become involved in decision making processes
- Representing the views and experiences of local service users to local decision makers Health and Wellbeing Board and other strategic forums
- Seeking public feedback to shape services and improve quality

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

The total contract value of the new service (over 6 years) will be in the region of £1.08 million.

This comprises a continuation of baseline funding paid by the DoH for the LINK service and additional resourcing in recognition of the wider role that HealthWatch will assume over and above the work of the Link.

The funding for the contract was based on figures made available by the DoH prior to the commencement of the procurement process and totals £180,000 per annum.

The majority of the funding will come via the Business Rates Retention Scheme subject to Corporate Finance confirmation.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety, Risk Management and Equality, Diversity and Community Cohesion:

An Equality Impact Assessment has been completed. No adverse impact was identified as a result of this however contract monitoring arrangements will continue to assess any impacts post contract award.

http://www.plymouth.gov.uk/eia_healthwatch.pdf

Recommendations & Reasons for recommended action:

To award a three year contract, containing an option to extend the contract for a further three years, to the 'most economically advantageous tenderer' as identified in the Part II Contract Award Report.

Alternative options considered and reasons for recommended action:

A number of local authorities have explored the option of funding existing LINKs via 'Grant in Aid'. This is not the preferred option as it is not in line with Plymouth City Council's contract standing orders. On consideration of this option there seem to be no compelling reasons to follow this route as there are other potential providers in the market, the existing service has not been market tested for a number of years, and as such the Authority could not be assured best value was being achieved. Also the new service is fundamentally different from the existing provision.

Background papers:

None

Sign off:

Fin	DH/PeopleF Ac1213006- 20/11/2012	Leg	AT/16092	HR		Corp Prop		IT		Strat Proc	JK/S PU/ CA/ 302/ 1112
Originating SMT Member: Pam Marsden											
Have you consulted the Cabinet Member(s) named on the report? Yes											

I. BACKGROUND

The Health and Social Care Act 2012 introduces significant change to the planning, commissioning and delivery of health and well-being services. Central to the reforms is the premise that the public must be at the heart of everything our health and care services do. The key to achieving this principle is the introduction of HealthWatch both at a national and local level.

Local Healthwatch will build on the work of LINKs (Local Involvement Networks), with the aim to give the public a stronger voice to influence, inform and challenge how health and social care services are provided within their locality.

HealthWatch Plymouth will be the independent consumer champion for health and adult social care for people living in the city of Plymouth and those accessing health services based within Plymouth.

Its work will be driven by local intelligence - including evidence from people's views and experiences - to influence the policy, planning, commissioning and delivery of publicly-funded health and adult social care.

It will operate effectively and efficiently so that the local authority can demonstrate that the HealthWatch Plymouth service provides value for money against an agreed set of outcomes.

HealthWatch Plymouth will undertake 3 core operational functions:

Influencing – Shaping the planning of health and adult social care services. HealthWatch Plymouth will present the views and experiences of local service users to local decision makers, as well as to HealthWatch England at the national level.

Signposting – Direct service users to sources of information to enable them to access health and adult social care services, thus promoting choice.

Watchdog – HealthWatch Plymouth will:

- Champion quality,
 - Hold commissioners and providers to account,
- and
- Make recommendations to HealthWatch England, Plymouth Health and Wellbeing Board, Local Authority Health and Adult Social Care Scrutiny and the Care Quality Commission (CQC) as necessary.

Healthwatch Plymouth is for anyone who is legally entitled to access health or adult social care services in Plymouth or anyone who cares for or represents anyone who has access to health or adult social care services in Plymouth.

Government guidance requires that the provider of the service be a corporate body (i.e. a legal entity), which is a social enterprise.

The financial values involved in this tender required a full competitive procurement to take place in order to select the future provider.

2. TENDER EVALUATION METHODOLOGY

The project evaluation criteria and weightings were agreed prior to despatch of the tender documentation and were published in the ITT.

Affordability

Tenders with an Annual Sum for any year of the contract of over £180,000 (including TUPE Costs, including £20,000 grant funds, but excluding VAT) would be considered unaffordable and therefore disqualified.

Sustainability

The Council reserved the right to reject any tender that it deemed to be unsustainable based on the price and breakdown of prices provided.

Contract Award Criteria

Award Criteria	Weighting (%)	Sub Criteria (%)	Weighting (%)
Technical	85	Purpose	2
		Service details	53
		Service Structure and Management	22
		Performance	8
Tenderer Questionnaire	15	The Tenderer Questionnaire determines whether the organisation is suitable to contract with and considers financial standing, insurances, references, and policies such as health and safety, equality and diversity and safeguarding. It included both pass/fail and scored sections.	15

The invitation to tender document was published electronically via the Devon Procurement Portal (www.devontenders.gov.uk) on the 28 August 2012 in accordance with the following timeline:

Activity	Date
Dispatch of ITT	28 th August 2012
Return of ITT	8 th October 2012
Notification of successful Tenderer	2 nd January 2013
Contract award	9 th January 2013
Service Commencement	1 st April 2013

The completed tenders were evaluated by a team of individuals / stakeholders with various skill sets from across the business, in order to ensure both transparency and robustness.

1; Tenderer Questionnaire

The Tenderer Questionnaires were evaluated to identify the extent to which each tenderer had the ability, experience and capacity to deliver the service.

2; Technical Response

The technical responses were evaluated to identify how well each tenderer would meet the service specification requirements.

3; Financial Response:

Tenderers were required to complete a Pricing Schedule spread sheet, providing a breakdown of the Tenderers pricing structure. This document was for information only although, the Council reserved the right to reject any tender that it deemed to be unsustainable based on the price and breakdown of prices provided.

3. FINANCIAL ELEMENT

The Department of Health will make funding available to Local Authorities for the delivery of local HealthWatch.

Local Authorities have a duty to commission a local HealthWatch as there are statutory functions to be delivered. Local Authorities also have a duty to ensure that local Healthwatch operates effectively and provides value for money; as such the DoH has been clear that it is paramount for sufficient funding to be made available that equals the quality of service provided to its local people and community.

Prior to the commencement of the procurement process the DoH informed Plymouth City Council of the available indicative funding for HealthWatch. Plymouth is proposing to invest the full contribution as advised by the DoH at this time into the local HealthWatch service.