



Oldham
Council

Report to CABINET

Contract Awards for Oldham Healthwatch and NHS Independent Complaints Advocacy services 2018

Portfolio Holder: Councillor Jenny Harrison, Lead Member for Social Care and Safeguarding

Officer Contact: Maggie Kufeldt, Executive Director for Health and Wellbeing

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Reason for Decision

This report requests approval to award contracts for the provision of Healthwatch Oldham and the National Health Service Independent Complaints Advocacy (NHS ICA) service. The report also requests approval to extend the contract provision for Healthwatch Oldham and NHS ICA for one month to allow for an incumbent provider to implement the new contract and any TUPE implications.

Executive Summary

Under the Health and Social Care Act 2012, Local Authorities are mandated to provide a local Healthwatch and NHS Independent Complaints Advocacy (ICA) services. These services do not have to be provided by the same organisation but must work together for the benefit of the local population.

The current contracts for Healthwatch and ICA services expire 31st March 2018 with no provision to extend. An open tender exercise was conducted; commencing 19th October and closed 27th November 2017.

Recommendations

The recommendations presented in the report are to:

- **approve** the contract awards for the Healthwatch and NHS ICA contract following the tender process
- **approve** the extension of the existing contract arrangements with Action Together for the provision of Healthwatch Oldham and the NHS Independent Complaints Advocacy service for one month (1st April – 30th April 2018), allowing the new contract to commence 1st May 2018, concluding 31st March 2021.

Contract Awards for Oldham Healthwatch and NHS Independent Complaints Advocacy services 2018

1 Background

1.1 Under the Health and Social Care Act 2012 local authorities are statutorily obliged provide local Healthwatch and NHS Independent Complaints Advocacy services.

1.2 Healthwatch

Established following the Health and Social Care Act 2012, local Healthwatch organisations are the local consumer champion for patients, service users and the public, covering both health and social care.

Local authorities have a statutory duty to commission a local Healthwatch organisation, which in turn has a set of statutory activities to undertake, such as gathering local views and making these known to providers and commissioners, monitoring and scrutinising the quality of provision of local services, and a seat on the local Health and Wellbeing Board.

1.3 NHS Independent Complaints Advocacy (ICAS)

The Health and Social Care Act 2012 requires all local authorities with adult social care responsibilities to “make such arrangements as it considers appropriate for the provision of independent advocacy in relation to its area” in the provision of assistance for individuals making or intending to make a NHS complaint. This covers all NHS services, including:

- NHS trusts, including NHS foundation trusts
- Primary health care services provided for the NHS by GPs, dentists, opticians and community pharmacies
- Clinical commissioning Groups
- Private health care organisations if the treatment has been paid for by the NHS
- All other health services commissioned by the NHS.

1.3 Action Together, formally known as Voluntary Action Oldham¹, has delivered the Healthwatch Oldham and NHS Independent Advocacy contracts since 2014 and 2016 respectively.

1.4 There is no provision in the current contracts to extend therefore a tender exercise has been conducted.

¹ ‘Action Together’ is the amalgamation of Voluntary Action Oldham (VAO) and Community and Voluntary Action Tameside (CVAT) organisations. This amalgamation took place 1 April 2016.

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- 1.5 In 2016 a review of Oldham's Advocacy Services took place that involved reviewing service demand, contract spend and the ability to meet statutory requirements. The opportunity to jointly procure with neighbouring authorities was also pursued.

At this time, Tameside Council expressed an interest in working with Oldham with the aim of jointly procuring the Healthwatch and ICA services. Unfortunately, the collaboration was not feasible due to the dates of the contracts not aligning.

2 Current Position

- 2.1 Action Together currently delivers Oldham's Local Healthwatch service and the NHS Independent Complaints Advocacy Service, therefore fulfilling Oldham Council's statutory functions as established in the Health and Social Care Act 2012, outlined in paragraph 1.1 above.
- 2.2 The current contract price for Healthwatch is £138,700 per annum and the Independent Complaints Advocacy is £28,500 per annum. In reviewing comparative authorities' contract values for these services, a small reduction has been applied to the contract envelopes. These are £135,000 and £28,000 per annum respectively.
- 2.3 The current contract expires 31st March 2018 with no provision to extend. To enable an incumbent provider adequate time to implement the new contract and any TUPE implications an additional month is requested to enable a provider to implement the contract successfully.
- 2.4 An Open Tender Exercise (ITT) was undertaken in accordance with Oldham Council's Contract Procedure Rules and Public Contracts Regulations 2015. The tender was divided into 2 Lots; Lot 1, Healthwatch and Lot 2 NHS Independent Complaints Advocacy.
- 2.5 The opportunity was advertised via The Chest and the following bids were received:

Lot 1 – Healthwatch (financial envelope of £135,000 per annum or £405,000 for three years).

One bid was submitted;

- Provider A - £405,000 (3 years).

Lot 2 - NHS Independent Complaints Advocacy (financial envelope of £28,000 per annum or £84,000 for three years).

Three bids were submitted;

- Provider B - £84,000 (3 years)

- Provider C - £83,370.27 (3 years)
- Provider D - £80,138.00 (3 years).

2.6 The Tenders were evaluated in accordance with the following criteria and weightings;

Technical Capacity	65%
Social Value	20%
Price	10%
Early Payment	5%

2.7 The Evaluation Panel consisted of the following representatives;

Claire Hooley, Planning and Commissioning Manager
 Deborah McBride, Quality and Compliance Manager
 Diana Nuttall, Sourcing and Contracts Consultant

2.8 The following scores were awarded to the respective organisations following the Panel's evaluation of the Technical submissions. These were based on the aforementioned evaluation criteria and weightings.

Healthwatch

Bidder	Technical Weighting	Price Weighting	Total
Provider A	57.25%	10.00%	67.25%

NHS Independent Complaints Advocacy (ICA)

Bidder	Technical Weighting	Price Weighting	Total
Provider B	66.50%	9.54%	76.04%
Provider C	46.00%	9.61%	55.61%
Provider D	63.00%	10.00%	73.00%

2.9 The sole bidder for Lot 1 was Provider A receiving a score of 67.25% and the highest bidder for Lot 2 was Provider B receiving a score of 76.04%.

3 Options/Alternatives

3.1 Option 1: **approve** to award the contracts on the basis of the tender exercise for Healthwatch Oldham and NHS Independent Complaints Advocacy.

3.2 Option 2: **not approve** to award the contracts on the basis of the tender exercise for Healthwatch Oldham and NHS Independent Complaints Advocacy.

4 Preferred Option

- 4.1 The preferred option is option 1 – to award the contracts to the providers on the basis of the outcome of the tender exercise undertaken. To approve and award the contracts for Healthwatch Service and NHS Independent Advocacy Complaints service to Provider A and Provider B respectively.

5 Consultation

- 5.1 In accordance with the Council's Contract Procedure Rules (Rule 20) there has been a consultation with the Executive Director and the Chief Executive for the approval of the extension to the contract.

6 Financial Implications

- 6.1 The 2017/18 financial envelope for the Healthwatch and NHS ICA services was £138,700 and £28,500 per annum respectively. In reviewing comparative authorities' contract values for these services, a small reduction has been applied to the contract envelopes, the revised allocations are £135,000 and £28,000 per annum respectively.
- 6.2 The preferred option is to initially extend the existing contract for one month to the 1st May 2018 until the tender process is completed and then to subsequently award for a 12 month period in accordance with the tender process.
- 6.3 The two contracts are currently funded from the Learning Disabilities & Mental Health Commissioning budget (cost centre 63008) and this has been rolled forward into indicative budgets for 2018/19 and future years over the period of the medium term financial strategy to support continued funding of the preferred option.

Danny Jackson, Senior Accountant

7 Legal Services Comments

- 7.1 The Council has followed its Contract Procedure Rules and conducted an open and transparent tender process and evaluated the scores to select the most economically advantageous tenders.
- 7.2 An exemption from the Contract Procedure Rules is permissible for the reasons provided in the Strategic Sourcing Section of the report.

(Elizabeth Cunningham-Doyle)

8 Co-operative Agenda

- 8.1 Both the Healthwatch and ICA services supports the Council's co-operative agenda as they assist Oldham residents to achieve their full potential via having the opportunity to provide feedback on vital health and social care services and receive robust advocacy support when making complaints relating to health services.

9 Human Resources Comments

- 9.1 Not applicable.

10 Risk Assessments

- 10.1 Not applicable.

11 IT Implications

- 11.1 Not applicable.

12 Property Implications

- 12.1 Not applicable.

13 Strategic Sourcing Implications

- 13.1 As outlined in 2.3 a procurement process was undertaken in accordance with the Council's Contract Procedure Rules and the Public Contract Regulations 2015. The route to market was an Open Tender exercise under the Light Touch Regime.
- 13.2 The detail of the procurement process is outlined in Section 2 of this report.
- 13.3 Based on the outcome of the Evaluation process, Strategic Sourcing recommend that the award of contracts to Provider A and Provider B, having demonstrated that their organisation have submitted the most economically advantageous tender for Lot 1 and Lot 2 having demonstrated the capability and quality elements within their bid. The Tender price submitted although not the cheapest falls within the financial envelope as stipulated in 2.2.
- 13.4 Provider A and Provider B did not provide an Early Payment discount in their Tender.
- 13.5 Strategic Sourcing will work with Commissioning to further develop detailed KPIs which will be measured through the performance monitoring of the contract.

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- 13.6 The report also requests approval to seek an exemption to extend the existing contract provision for a period of one month. This will allow for the completion of the internal governance process and the Alcatel period in accordance with Public Contract Regulations. Strategic Sourcing supports the request under 21.3(j) of the Contract Procedure Rules.

Diana Nuttall, Sourcing & Contracts Consultant

14 Environmental and Health & Safety Implications

- 14.1 The Healthwatch and ICA services have a positive impact on the environment and the health and safety for both people receiving the services and the wider community. The services help to ensure people have the opportunity to inform and influence the way in which services are provided in their community.

15 Equality, community cohesion and crime implications

- 15.1 The Healthwatch and ICA services have a positive impact on community cohesion and crime prevention as they are designed to work with people in their community.

16 Equality Impact Assessment completed?

- 16.1 Not required.

17 Key Decision

- 17.1 Yes, for the extension to the current contract with Action Together it is a Key Decision for to be made by the Executive Director for Health and Wellbeing in consultation with the Chief Executive.
- 17.2 The decision to award the contracts for Healthwatch Oldham and NHS Independent Complaints Advocacy is a Key Decision due to the overall contract value and the effect the contracts will have across Oldham wards.

18 Key Decision Reference

- 18.1 SCS-13-17.

19 Background Papers

- 19.1 None.

20 Appendices

- 20.1 None.