

Report to **Director of Adults and Health - Delegated Decisions Panel**

Date: **8th November 2017**

Subject: **Request to approve the award of the contract for the Healthwatch Leeds service to Touchstone.**

Are specific electoral Wards affected?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Appendix One
If relevant, Access to Information Procedure Rule number: 10.4.3 Appendix number: 1. (Confidential Report) Appendix One – Touchstone Healthwatch Leeds Scoring Matrix	

Summary of main issues

1. The purpose of this report is to seek approval from the Director of Adults and Health to award the contract for Healthwatch Leeds (HWL) to Touchstone. This is an amended report to replace D45003.
2. This is a consequential decision that follows on from the decision dated 12th May 2017 made by Steve Hume, Chief Officer Resources & Strategy who approved the following recommendations:
 - To procure future Healthwatch Leeds (HWL) services during the 12 months extension period of the contract.
 - To seek approval to waive Contract Procedure Rule 15.2 to amend the quality threshold to 100%.
3. This report provides the background to the current service provision and the decision to procure the services. It then outlines the procurement process and the outcome of the evaluation stage of the process, together with a recommendation to award the contract to Touchstone.

Recommendation

The Director of Adults and Health is recommended to:

- Approve the award of the Healthwatch Leeds contract to Touchstone, with effect from 1st April 2018 (subject to the agreement and completion of an improvement plan during the first 12 months of the contract period), for a period of five (5) years with an option to extend the contract for a further period of up to 36 months at the value of £374,400.00 per annum with the extension option being subject to a further delegated decision at the appropriate time
- Note; the commissioning manager together with the PPPU and contract manager will implement the decision through the issue of the letter of award of contract to Touchstone.

1. Purpose of this report

- 1.1 The purpose of the report is to seek approval from the Director of Adults and Health to award the HWL contract to Touchstone
- 1.2 The contract will be for a period of five (5) years subject to satisfactory completion of an improvement plan by Touchstone (within the first 12 months of the contract) with an option to extend for a further period of up thirty six (36) months. The contract will commence on 1st April 2018.
- 1.2 As detailed further in this report, as Touchstone failed to meet the minimum quality thresholds required within the tender instructions, both in respect of the minimum quality threshold for each question and the overall minimum quality threshold, the contract awarded to Touchstone will be subject to their compliance with an Improvement Plan which will be monitored during the first twelve months of the contract commencing on 1st April 2018, with them being required to show demonstrable improvements during the first six months of the monitoring period.
- 1.3 The Improvement Plan must be completed within the first 12 months of the contract and will be robustly monitored to ensure completion.

2. Background information

- 2.1 The Government's health and social care reforms are centred on the principle that Service users, carers, patients and the public must be at the heart of all health and social care service delivery.
- 2.2 The Health and Social Care Act 2012 amends the Local Government and Public Involvement in Health Act 2007 to make provisions about Healthwatch as the Consumer champion for health and social care services.
- 2.3 Healthwatch is the consumer champion for health and adult social care in England. Healthwatch provides a platform for making the NHS and local government Accountable to their local communities, people using care and carers to have their voices heard at a local and national level. In addition, local Healthwatch organisations provide citizens with information, advice and signposting to enable

them to exercise choice and control in relation to their local health and social care services.

- 2.4 The original procurement of HWL was undertaken in 2012 and resulted in the award of a contract to Touchstone Leeds. The contract was originally a consortia arrangement comprising of Leeds Involving People, Touchstone, Inclusion North and Health Together. In April 2016, Touchstone in accordance with their tender submission changed the contracting arrangements to sub-contract with HWL as an independent CIC. Touchstone however, still remains contractually liable for the delivery of this contract.
- 2.5 A service review was undertaken in 2016 which looked at all aspects of the existing service and contractual arrangements. The review concluded with a number of recommendations – including one to re-commission a local Healthwatch service beyond the existing contract.
- 2.6 A Project Team was established to develop the necessary procurement documents and to manage the delivery of the procurement. This group comprised of officers from Commissioning, Contracts and PPPU.
- 2.7 The procurement has been undertaken using the Open Procedure. The evaluation process included a Pre-Qualification Questionnaire (PQQ) which contained a number of technical questions to assess a tenderers previous experience of delivering similar services. If an organisation failed to meet the minimum score in respect of the PQQ technical questions, then they would be eliminated from the process, with their submission not being considered further.
- 2.8 Touchstone was the only organisation to submit a tender for the service. They achieved the required minimum score for each of the PQQ technical questions, further to which their method statement responses were evaluated.
- 2.9 An evaluation panel was established to evaluate the tenders which comprised of officers from Adults and Health Commissioning and Adults and Health Quality and Performance.

3. Main issues

- 3.1 Although there is no competition for the award of the contract, in accordance with the tender instructions, the evaluation process still needed to be completed, in order to ensure that the provider was able to meet the requirements as set out in the service specification and also that they met the minimum quality thresholds in respect of each method statement question and for the overall response.
- 3.2 The method statement responses were evaluated by the Evaluation Panel on a consensus basis using 100% quality.
- 3.3 A Scoring Matrix that outlines the scores for each Method Statement question is attached as Appendix One (Confidential Report). The overall score achieved by Touchstone was 582.50 points. The minimum quality threshold required within the tender instructions was 600 points. There were also a number of individual method

statement questions where Touchstone failed to meet the minimum quality threshold, which are highlighted in the attached Evaluation Summary.

- 3.4 In view of the fact that only one tender was received, which would suggest that the market for the provision of this service is limited, it is recommended that even though the provider scored less than the minimum thresholds required for the tender, the contract should still be awarded to Touchstone. The decision maker needs to be aware that although there is a risk to awarding a contract in these circumstances, such risk is mitigated on the basis that there is limited interest in the delivery of this service and also that measures will be put in place to ensure that the provider delivers the contract in accordance with the requirements of the service specification.

Within the tender instructions paragraph 9.8.5 provides the decision maker with dispensation to award the contract to a provider who scores less than the minimum threshold in respect of each evaluation question. However, there is no such dispensation if a provider fails to meet the minimum threshold of 600 points.

The council is not compelled to award a contract for this service and the Decision Maker can decide not to award a contract and recommend that the service is re-tendered.

However, in view of the fact that Touchstone is the current provider of this service, which is presently being provided on a satisfactory basis, the risk of awarding the contract to the provider is reduced.

If the decision is made to award the contract to Touchstone, then this would be on the basis that they must comply with an Improvement Plan as a condition of the award of the contract. The Improvement Plan will focus on areas of weakness highlighted during the procurement process, particularly those areas where they scored below the 50% minimum threshold.

It is proposed that the Improvement Plan will last for a period of 12 months, with the provider being required to show demonstrable improvements during the first six months of the contract, failing which the council may take steps to terminate the contract with Touchstone. A contingency plan for such an outcome, would need to be developed to ensure the continuity of the Healthwatch Leeds service. A re-procurement process would then be undertaken.

Should they satisfactorily meet the requirements of the Improvement Plan then the contract will continue for the further four years of the contract period.

The areas of the submission that did not meet the minimum score threshold indicate further development during the length of the contract may improve the quality of the provided services. The Evaluation Panel will highlight this issue as part of their feedback on the evaluation process and can be discussed further with the contractor during the final period of the existing contract.

- 3.5 The required PQQ vetting has been undertaken with Touchstone, which they have satisfactorily passed.

4. Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Prior to the contract commencement for this service a range of stakeholders were involved in the development of a local Healthwatch and Services Contract.
- 4.1.2 The outcomes of this consultation and engagement activity informed the production of the service specification.
- 4.1.3 The contract is monitored by a nominated Contracts Officer who is satisfied that the service is meeting the expectations of the service specification and supports the organisation in developing ongoing initiatives.
- 4.1.4. A review was undertaken in 2016 which involved extensive consultation with service users, staff, volunteers and other stakeholders. Feedback about the current service was very positive and the review concluded that the service is highly valued by those consulted.

4.2 Equality and diversity / cohesion

- 4.2.1 An Equality, Diversity, Cohesion and Integration Screening was completed (Appendix 2) during the extension period of the contract. The screening toolkit demonstrates that the service meets the desired equality requirements.
- 4.2.2 The provider has appropriate policies and procedures in place

4.3 Council Policies and City Priorities

- 4.3.1 Local Healthwatch organisations replaced Local Involvement Networks, which ceased to operate on the 31st March 2013. The duties, roles and responsibilities of the LINKs transferred to HWL which was given new duties and responsibilities under the Health and Social Care Act 2012.
- 4.3.2 The commissioning of this service supports aims highlighted in the Leeds City Council Best Council plan 2015-2020. In particular the objectives “Supporting communities and tackling poverty” and ‘Delivering the better lives programme’.

4.4 Resources and value for money

- 4.4.1 The current value of this contract is £374,400 pa.
- 4.4.2 The contractor provides performance monitoring information to demonstrate the quality of support offered by the services delivered under this contract.

4.4.3 There will be some resource implications in terms of monitoring and reviewing this contract in order to ensure the services meet the necessary outcomes. These resources will be provided from within the Adult and Health Performance and Quality Contracts team.

4.4.4 A full service review has been undertaken in 2016 which showed that the service was meeting its outcomes and providing value for money.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The decision maker's authority to take this decision falls under Part 3 of the Constitution, Official Delegation Scheme (Executive Functions) Director of Adults and Health, so far as those functions relate to Adults. This decision to award the contract is a significant operational decision.

4.5.2 Appendix One is confidential and exempt under Access to Information Procedure Rule 10.4 (3) as it contains the evaluation scores of the organisation based on information given in confidence by this organisation. It is felt that it is in the public interest to maintain the exemption as if the information is disclosed, this would, or would be likely to, prejudice the future commercial interest of the Council. The information is exempt if and for so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

4.6 Risk Management

4.6.1 This procurement process was conducted in accordance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015 in order to ensure that a fair, open and transparent process was undertaken.

4.6.2 A risk register was created, taking into account the lessons learnt from the original tender process. This was updated and presented to the Project Board at regular intervals.

4.6.3 A summary of the key risks if contracts are not awarded include:

- If the contracts are not awarded to the recommended provider there is a risk of reputational damage to the Council.
- If the contract is not awarded to the recommended provider there is a risk of legal challenge from the organisations.
- If the contract is not awarded to the recommended provider there is a risk that the existing service will cease and service users will no longer be able to access HWL services.

5. Conclusions

5.1 By granting authority to award the contract to Touchstone to deliver HWL continuity in service provision will be maintained and statutory obligation adhered to.

5.2 The Improvement Plan (which must be completed within 12 months of the commencement of the contract) will provide sufficient time to ensure the provider makes significant improvements in the identified areas highlighted in the evaluation process.

6. Recommendations

6.1 The Director of Adults and Health is recommended to:

- Approve the award of the Healthwatch Leeds contract to Touchstone, with effect from 1st April 2018 (subject to the agreement and completion of an improvement plan during the first 12 months of the contract period), for a period of five (5) years with an option to extend the contract for a further period of up to 36 months at the value of £374,400.00 per annum with the extension option being subject to a further delegated decision at the appropriate time.
- Note; the commissioning manager together with the PPPU and contract manager will implement the decision through the issue of the letter of award of contract to Touchstone.

7. Background documents¹

None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.