

Report for: Cabinet Member Signing

Title: Variation to extend the contract for the provision of a Healthwatch Haringey service

Report authorised by: Rebecca Cribb, Service Manager - Adult Social Care Commissioning, Brokerage and Quality Assurance

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Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1. This report seeks approval to vary the term of the existing contract for the provision of a Healthwatch Haringey delivered by Public Voice CIC to extend for a further period of eleven (11) months, commencing from 1st July 2023 to the 31st of May 2024 at a cost of £139,333.33, in accordance with Contract Standing Order (CSO) 16.02.
- 1.2. The aggregated total value of the contract will be £595,333.33 including the above proposed variation and extension.

2. Cabinet Member Introduction

- 2.1. Not applicable.

3. Recommendations

- 3.1. For the Cabinet Member for Health, Social Care, and Wellbeing to retrospectively approve the variation of the contract for the provision of a Healthwatch Haringey delivered by Public Voice CIC and extend for a further period of eleven (11) months, commencing from 1st July 2023 to 31st May 2024 at the cost of £139,333.33 in accordance with Contract Standing Order (CSO)16.02.The aggregated total value of the contract will be £595,333.33 including the above proposed variation and extension.

4. Reasons for decision

- 4.1. A local Healthwatch service is a statutory requirement that must be provided by an organisation which is a social enterprise as defined by the legislation. Regionally, there is a very limited market for local Healthwatch providers, with Haringey's neighbouring boroughs also experiencing low engagement from the market. This is based on feedback from Healthwatch commissioners within NCL region e.g. only one provider met Islington's tender minimum requirement. The proposed contract variation will enable the Council to continue with a

provision of local Healthwatch Service in Haringey that forges strong links with local residents, volunteers and organisations and the Council is highly unlikely to find a better provider.

- 4.2. The failure to re-tender this contract was inadvertent. There is no further provision for extension within this contract. Public Voice CIC have continued to provide their services as set out in the contract and at their own risk.
- 4.3. There is insufficient time to carry out a meaningful options appraisal. A gap in service would lead to service disruption for service users and residents. Such action would damage the reputation of the Council for not fulfilling its statutory requirement.
- 4.4. The extension will enable a thorough commissioning review which will explore the Council's options alongside guidance and support offered by Healthwatch England to commission a local Healthwatch service and examine whether the market has grown to become more competitive.
- 4.5. The performance of the service provider has been evaluated as good throughout the contract period.

5. **Alternative options considered**

- 5.1. **Do nothing:** this would leave the Council without a local Healthwatch service and in breach of its statutory duty under The Local Government and Public Involvement in Health Act 2007.
- 5.2. **In-house provision** - Local Healthwatch must be provided by an organisation which is a social enterprise as defined by the legislation. The Local Government and Public Involvement in Health Act 2007, which was amended by the Health and Social Care Act 2012, outlines the main legal requirements of Healthwatch. This is underpinned by many other regulations which give more detail about how activities should be undertaken.

The law refers to the roles of:

- Local authorities - who are required to make provision for Healthwatch
- Providers of Healthwatch services (referred to as Healthwatch in this guide)
- Healthwatch England - whose main role is to provide advice and support to every Healthwatch

As recognised in law, Healthwatch have specific requirements under the Freedom of Information Act 2000 as well as Healthwatch legislation with a core purpose of making sure the views of the public shape the health and care services they need, requires them to be:

Independent in purpose - amplifying the voice and experiences of the most pressing and difficult issues in health and social care.

Independent in voice - speaking up on behalf of sometimes unpopular causes

or groups who are marginalised and/or face disadvantage or discrimination.

Independent in action - designing and delivering activities that best meet the needs of the people they serve.

Hence, in-house provision of this service is not an option.

- 5.3. **Go out to tender:** It would be possible to tender the current contract and seek a new or refreshed contract, however, regionally, there is a very limited market for local Healthwatch providers. Neighbouring boroughs have also experienced low engagement from the market. It is therefore not considered an effective use of resources to procure a new service at this time. There is also insufficient time at this stage to go out for tender without a short extension to the existing contract.

6. **Background information**

- 6.1. Every local authority in England must arrange for a social enterprise to deliver an effective Healthwatch in their area. The aim of local Healthwatch is to give citizens and communities a stronger voice to influence and challenge how health and social care services are provided within their locality.
- 6.2. Healthwatch Haringey seeks the views of local residents to find out their thoughts on local health and social care services. This information is shared with providers and commissioners to help improve local health and social care services.
- 6.3. The contract for the provision of a Healthwatch Haringey was awarded to Public Voice CIC for initial period of 2 years, commencing from 1st July 2020 to the 30th of June 2022 with an option to extend for further period of 12 months from 1st July 2022 to 30th of June 2023 at the total cost of £456,000 (£152,000 per annum).
- 6.4. The current service provided by Public Voice CIC has evidenced the generation of social capital through: the volunteering opportunities; established roots in the community and ability to engage locally; access to wider networks and partnerships to benefit wider priorities; leveraging funding from external sources; providing unique opportunities for community-led design and co-production; employing locally based staff.
- 6.5. The performance of the service provider has been evaluated as good throughout the contract period. Haringey Healthwatch is recognised and known to residents and perceived as a credible organisation with demonstrable evidence of adopting systemic approach to community engagement and outreach work. The need for improving governance and accountability to Health and Wellbeing Partnership board is recognised and is one of the key areas managed within the contract.

7. **Contribution to strategic outcomes**

- 7.1. This service will contribute to the Corporate Delivery Plan 2023/24, Theme 1: Resident experience, collaboration and participation: These five outcome areas, and aligned activity, put resident experience at the centre, embed the full diversity of all age resident participation, and enable collaboration

between communities.

- Positive Resident Experience:
- Inclusive Public Participation
- Enabling Community Collaboration
- Developing Young Voice
- Insourcing (*As explained in 5.2, Local Healthwatch must be provided by an organisation which is a social enterprise as defined by the legislation hence insourcing is not an option in this instance*)

7.2. It should be noted that the Health and Social Care Act 2012, enables Healthwatch Haringey to have a seat on Haringey's Health and Wellbeing Board.

8. Statutory Officers comments

8.1. Finance

8.1.1. This report is seeking to award a contract with a period of 11 months, starting on 1st July 2023. The value of the extension is £139,333. The value of the contract over three years to 30th June 2023 was £456,000. The value of the three-year contract plus the proposed eleven-month extension is £595,333 in total.

8.1.2. This will be met from existing resources within Adult Social Services, which is fully funded from the Local Reform and Community Voices Grant of £164,536. There is sufficient funding to cover the full cost of this contract award.

8.2. Procurement

8.2.1. The report relates to services which would be subject to the Light Touch Regime under the Public Contract Regulations 2015 (PCR), if valued at or above a threshold of £663,540. Furthermore, the Cabinet Office published a Procurement Policy Note (PPN) no. 10/21 in December 2021, which came into effect from 1st January 2022, which requires public sector contracting authorities to include VAT (where applicable), when calculating the estimated value of the contract to determine whether the regulations apply.

The table below provides the breakdown of contract price:

Contract Period	Values without VAT	Values with VAT (where applicable)
Initial contract period – 1 st July 2020 to 30 th June 2022	£304,000	Contract started prior to publication PNN 10/21
Extension allowed within term of the contract – 1 st July 2022 to June 2023	£152,000	£182,400

Proposed variation to extend the contract for 11 months – 1 st July 2023 to 31 st May 2024	£139,333.33	£167,200
Total aggregated value of the contract	595,333.33	653,600

The total aggregated value of the contract would be £653,600 (inclusive of VAT for contract period of 1st July 2022 to 30th June 2023 and proposed extension - see paragraph 6.2 for breakdown of contract price) which is below the threshold of £663,500 and therefore the PCR Light Touch Regime requirements will not apply.

- 8.2.2. Under the CSO 10.02.1, a contract extension and variation may be approved subject to satisfactory outcomes of contract monitoring. The service provider has demonstrated that contract targets and outcomes have been met which meet the CSO 10.02.1 criteria to permit the request.
- 8.2.3. The request for contract variation is permitted under Contract Standing Orders (CSO) 16.02 and 10.02.1(b), the reasons for which are set out at paragraphs 4 above.
- 8.2.4. Strategic Procurement notes, this report seeks retrospective approval and recommends Commissioning to ensure they are endeavouring to seek contract variation/extension approvals in a timely fashion to ensure uninterrupted service delivery and mitigation of the risk of late payment and the negative effect on supplier relations.
- 8.2.5. Strategic Procurement notes, this service has not been market tested since 2020 and therefore, it is difficult to ascertain whether this contract delivers best value.

8.3. Legal

- 8.3.1. The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.
- 8.3.2. The services are Schedule 3 services under the Public Contracts Regulations 2015 (PCR 2015) which are subject to the 'Light Touch' regime. The value of these services is below the threshold where the modification rules set out in Reg 72 of the PCR 2015 apply. The proposed variation is therefore subject to the Council's Contract Standing Orders (CSOs).
- 8.3.3. Because the combined value of the contract and the extension is over £500,000 and the original approval for the award was by director, the extension would normally be approved by the Cabinet in accordance with CSO 10.02.1 (b) (contracts valued at £500,000 or more). However, in between meetings of the Cabinet, the Leader may take any such decision or may allocate to the Cabinet Member with the relevant portfolio (CSO 16.02).
- 8.3.4. The decision will be a Key Decision therefore the Council needs to comply with its constitutional requirements regarding Key Decisions including publication in

the Forward Plan.

8.3.5. The Head of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing the Cabinet Member for Health, Social Care and Wellbeing from approving the recommendations in this report.

8.4. Equality

8.4.1. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

8.4.2. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

8.4.3. Healthwatch design their programmes of work to meet the diverse needs of the population it represents, challenging inequality and forging good relationships between people who share those characteristics and people who do not by:

- Conducting appropriate and proportionate equality impact assessments
- Involving and consulting with individuals and groups with specific experience of issues relating to equalities, diversity, and inclusion as necessary.
- Working to ensure the evidence base more accurately represents the diversity of the communities locally served to promote understanding.

8.4.4. The communities and groups Healthwatch engage with are often harder to reach or seldom heard and Healthwatch assist in influencing the reduction of inequalities for these groups in health and social care. The seldom heard groups include black and ethnic minority individuals, informal carers, disabled people, LGBTQ+ individuals, refugees / asylum seekers, people who are homeless, and people with language barriers. Co-production with these groups, through Healthwatch, gives them the opportunity to decide what is important to them and what they want to explore. Additionally, individuals in these groups learn skills which they can take on to other work, as a result enhancing the social value of the work carried out.

8.4.5. This decision to award the extension for 11 months will have a positive impact and ensure that the Council continues to address known inequalities that affect individuals with protected characteristics. Accordingly, the decision represents progress to eliminate discrimination and advance equality of opportunity. This will be carried out by actively listening to the experiences of those facing inequality, understanding the steps that could improve people's lives, and by acting on what has been learned.

8.4.6. The equalities impact will be monitored over the life of the contract.

9. Use of Appendices

9.1. None

10. Local Government (Access to Information) Act 1985

10.1. Not Applicable