



Haringey Council

REPORT TEMPLATE

Agenda item:

[No.]

Procurement Committee

On May 15th.2008[Date]

Report Title: **Host contract for the Local Involvement Network (LINK)**

Forward Plan reference number (if applicable): **[add reference]**

Report of: **Director Of Corporate Resources**

Wards(s) affected: **ALL**

Report for: **Key Decision**

1. Purpose (That is, the decision required)

- 1.1 To agree the Recommendation to award the contract for a Host Organisation in line with CSO 11.03.

2. Introduction by Cabinet Member (if necessary)

- 2.1 I support the recommendations set out in this report This procurement has been carried out by the Corporate Procurement Unit to fulfil our statutory duty under *The Local Government and Public Involvement in Health Act 2007*. The LINKs will enable local communities to influence key decisions about the services they use and pay for by giving them a stronger voice in the process of commissioning and monitoring of health and Social Care.

3. Recommendations

To agree to the recommendation to award the contract for a Host organisation to Bidder 1 as requested in 14.3.

Report Authorised by: **Julie Parker Director of Corporate Resources**

Contact Officer: **Kim Sandford Head of Supplies and Services**

4. Chief Financial Officer Comments

- 4.1 The resources identified to fund Haringey's contract with the host organisation in 2008/09 are set out in paragraph 12.6. Funding for the LINK has been provided as part of the area based grant however, this is un-ring fenced and is allocated to projects in association with the Haringey Strategic Partnership; currently funding has only been committed for 2008/09. The proposed contract is for 2 years and 9 months with a break clause at the end of each financial year to allow for re-negotiation based on the allocation of the Grant by Haringey Council to the Host contract

5. Head of Legal Services Comments

- 5.1 Pursuant to its statutory duty under Section 222 of the Local Government and Public Involvement in Health Act (2007) to enter into contractual arrangements with a host organisation that will establish and support a Local Involvement Network (LINK), the Council (in collaboration with Enfield, Islington, and Waltham Forest Borough Councils) has tendered the contract to which this report relates in Europe, in accordance with the Public Contracts Regulations 2006, using the restricted procedure.
- 5.2 This report is recommending the award of the contract to Bidder 1, named in the Appendix A to the report on the basis that it is the contractor that submitted the most economically advantageous tender, in accordance with CSO 11.1 (b).
- 5.3 As the value of the contract over the proposed term of two years and nine months will exceed £250,000, the Procurement Committee's approval of the contract award is required under CSO 11.3.
- 5.4 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendation of this report. A copy of the contractual terms and conditions drafted by Enfield Council to govern the contract should however be forwarded to the Head of Legal Services for review prior to execution of the contract.

6. Head of Procurement Comments

- 6.1 This procurement has been managed collaboratively involving Enfield, Waltham Forest, Islington and with Haringey as the lead authority.
- 6.2 There has been extensive opportunity for service users and members of the public to engage in the consultation process and feedback received has helped to shape the specification.

- 6.3 The evaluation panel consisted of service user stakeholder groups and they were suitably trained by corporate procurement prior to undertaking the evaluation exercise. Feedback from the evaluation team has been extremely supportive and appreciative of the high level of involvement afforded to them.
- 6.4 DoH guidance suggested that TUPE would NOT apply to this procurement exercise because the LINK service was fundamentally different to the abolished Public Patient Forum. However, the Head of Procurement considered that there was sufficient risk of challenge from existing service providers to warrant the procurement to be managed as though TUPE did exist. The winning bidder will therefore apply TUPE regulations and transfer any staff from existing providers as appropriate.
- 6.5 For service continuity and to minimise any risk of a break in the service, it is important that the appropriate Member committee considers funding for Year 2 (2009/10) at the earliest possible opportunity. This is a new mandatory contract and funding is only approved by the Council for an initial 9 months from 1st July 2008 to 31st March 2009.

7. Local Government (Access to Information) Act 1985

- 7.1 This report contains exempt and non exempt information. Exempt information is contained in Appendix A of this report and is **NOT FOR PUBLICATION**. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972):

(3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).

8. Strategic Implications

- 8.1 The procurement of a Host organisation to set up and support a Local Involvement Network (LINK) for a three year period by April 08 is a statutory requirement under *The Local Government and Public Involvement in Health Act 2007*. The tendering process for a Host Organisation to facilitate this is now completed and the contract is due to commence on July 1st 2008.
- 8.2 The DOH issued instructions that the Procurement process must be led by the Head of Corporate Procurements to ensure that there was no conflict of interest. This is due to the fact that part of the role of the LINK will be to scrutinise services commissioned by Social Services and The Primary Care Trust.
- 8.3 An interim contract for £30k has been awarded to Community Investors Development Agency from April 1st. 2008 to June 30th 2008. This has been authorised through a waiver and award process. This contract will support a

shadow LINK that will encompass Health and Social Care service users and groups.

- 8.4 The Local Government and Public Involvement in Health Act 2007 was passed in November 2007 and bases a majority of its legislative measures and core objectives on Strong and Prosperous Communities. It marks a major shift in patient and public involvement, where Patient and Public Involvement (PPI) forums are to be abolished and replaced by Local Involvement Networks (LINKs) from April 2008.
- 8.5 The Act gives Local Authorities the responsibility for setting up LINKs, and they have a duty to make contractual arrangements for the involvement of people in the commissioning, provision and scrutiny of health and social care services. LA's are required to contract with organisations which have community development and networking skills to make arrangements for hosting and providing support for LINKs.
- 8.6 An initial funding stream of £10k was received in November 2007 to facilitate the procurement of the Host organisation. Notification of the finalised funding to support the contractual arrangements with the Host organisation was received by Haringey's Chief Executive in December 2007.

The funding was allocated to the Area Based Grant. The amount of funding DoH are contributing to the new Area Based Grant – a non-ringfenced general grant in recognition of the funding pressures related to local involvement networks (LINKs) is shown below.

| 2008/09 | 2009/10 | 2010/11 |
|----------------|----------------|----------------|
| £172000 | £171000 | £171000 |

- 8.7 The government's aim for LINKs is that they will enable local communities to influence key decisions about the services they use and pay for by giving them a stronger voice in the process of commissioning and monitoring of health and social care. LINKs are expected to build on existing community networks and the work of PPI forums (which have now been abolished). The LINKs will be set up attached to a local authority (LA) area rather than a specific NHS trust.

9. Financial Implications

- 8.1 The funding for this contract has been set out by the DOH for 3 years from April 1st.2008 and will be allocated to the Area Based Grant annually as shown in 7.6.

10. Legal Implications

9.1 Please refer to Paragraph 5

11. **Equalities Implications**

10.1 The establishment of the LINK will enable all sections of the community to contribute towards the scrutiny, support and commissioning of health and Social care in Haringey. The contract is explicit in its reference to engaging with those currently hard to reach groups within the borough.

12. **Consultation**

12.1 The consultation process has taken a three pronged approach via print, web and events.

12.2 **Print:** An explanatory leaflet containing a short questionnaire inviting feedback has been widely distributed via post to 950 Community and Voluntary Organisations including the Mental Health Trust and by way of copies of the leaflets being strategically placed in key public locations such as Doctor's Surgeries, Hospital Receptions and Libraries. The TPCT also included copies in with their staff's payslips. An article appeared in the February copy of Haringey People which is distributed to 103,000 households throughout the borough. The article invited residents to look out for the leaflet, complete the survey online or attend an Open Day event.

12.3 **Web:** A website has been made available with an explanation of LINKs and an electronic version of the printed leaflet which also offered the opportunity to complete the survey online.

12.4 **Events:** We have now held 2 consultation events at White Hart Lane Community Centre the purpose of which was to consult on what form the Local Community would like to see the Host take. The first event was held in November 2007 and the second held in January this year. Presentations were given and representatives from Haringey along with the other partner boroughs were on hand to give explanations, answer questions and receive feedback from members of the public and local voluntary groups. The responses that were received on these occasions have helped to develop and inform the specification for the procurement of the Host.

This consultation process is envisaged to be an ongoing process and will be continued by the Host once it is in place for at least the first twelve months of the contract.

12.5 **A Meet the Buyer Event** was also held in December to give potential bidders a chance to communicate their ideas and better inform themselves of the likely requirements of a Host. Representatives from Haringey's Procurement Team and our partner boroughs were on hand to answer questions and used this opportunity to gauge the market.

13. Background

- 13.1 The Head of Procurement set up a project team including, Overview and Scrutiny, the Voluntary Sector Team, a representative from Haringey Teaching Primary Care Trust, a representative from the Patients Forum, a representative from the Mental Health Trust and a representative from HAVCO, plus Policy & Performance and Consultation.
- 13.1.1 The Head of Procurement established a collaborative approach and procurement process with Enfield, Islington and Waltham Forest. Bidders could bid for one or more of the contracts. Haringey has lead the procurement but individual contracts will be awarded by each Borough as an outcome of this process. Whilst LINK is intended to operate for 3 years, the contract will contain provision to extend for 1 year subject to funding and performance agreement. The contract contains a break clause at the end of each financial year to allow for re- negotiation based on the allocation from the Area Based Grant
- 13.2 The Corporate Voluntary Sector Team Manager has agreed to act in the client role and to manage the Host contract.
- 13.3 A restricted procurement process was undertaken (as an EU part B service). An advert asking for Expressions of Interest was published on December 4th 2007 and 8 pre qualification questionnaires (PQQ's) were received by the deadline of April 7th.
- 13.4 After evaluations of the PQQ's 7 organisations were invited to tender and 5 tenders were submitted by the return date of April 7th.
2 Bids for all 4 boroughs
1 Bid for Enfield
1 Bid for Waltham Forest
1 Bid for Islington
- 13.5 The Evaluation criteria weightings were agreed by the Project Board as 70% Quality and 30% price and the quality evaluation were set in 4 sections:
Community Engagement
Equalities and Diversity
Business and Administrative support
Performance and Quality Assurance
- 13.5.1 A group of 6 voluntary sector representatives from the former Patient Participation Forums, MIND, the Ethiopian community group the Bernie Grant Trust and an older persons rep from the Mental Health Trust evaluated the Community Engagement section of the tender submission on the 10th and 11th of April. An internal panel then evaluated the Equalities, Business and Admin and Performance and Quality Assurance sections of the submission on the 14th and 15th of April.. Interviews were held on the 28th April to seek clarification on issues

identified by the evaluation panel. The outcome of the interviews did not have any impact on the overall scoring.

- 13.6 Both Bids have come in within the Haringey ceiling of £113k for 08-09 which was set in the ITT. Please note year 1 is for 9 months only as an interim contract has been put in place from April 1st to June 30th.at a cost of £30k.The budget has only been agreed for 2008-09 as the annual funding from DOH is included in the Area Based Grant, and this is allocated internally on an annual basis. Please see appendix 1 for full details of the financial submissions. The bids that were received for the 2-year 9 month contracts are

| | |
|----------|----------|
| Bidder 1 | Bidder2 |
| £419,100 | £439,299 |

The overall full scoring including price and quality is shown below

| Total Weighted scores for Bidder 1 | | Total Weighted Score Bidder 2 | |
|---|---------------------|--|------------------|
| Community Engagement | 10.27 | Community Engagement | 9.53 |
| Business N Admin | 13.83 | Business N Admin | 12.73 |
| Diversity and Inclusion | 11.70 | Diversity and inclusion | 8.02 |
| Performance & quality | 10.79 | Performance & quality | 6.89 |
| Subtotal of non financial criteria | 46.59 | Subtotal non financial criteria | 37.17 |
| Plus Pricing | 30 | Plus Pricing | 29 |
| Grand Total | <u>76.59</u> | Grand Total | <u>66</u> |

14. Conclusion

- 14.1 To comply with our statutory duty under *The Local Government and Public Involvement in Health Act 2007*. Haringey is required to have in place a HOST organisation to establish and support the LINK from April 2008.
- 14.2 In order to meet our responsibilities under the Act a 3 month interim contract has been awarded to Community Investors Development Agency. This is being contract managed by the Corporate Voluntary Sector Team Manager.
- 14.3 The procurement process has now been completed and a recommendation is made to members in this report to award the contract for the Host to Bidder 1.