

**WRITTEN STATEMENT OF A NON-KEY DECISION
CABINET MEMBER HEALTH & WELLBEING**

ITEM:	DIRECT AWARD OF THE HEREFORDSHIRE HEALTHWATCH CONTRACT
Date of Decision:	27 March 2017
Exempt:	No
Confidential	No
Urgency/Special Urgency: (As defined in Constitution)	No
Purpose:	To approve the decision to directly award a 14 month contract to a newly-established company, to be called Healthwatch Herefordshire, to deliver the Healthwatch service in Herefordshire.
Decision:	<p>THAT:</p> <p>(a) The contract award for the delivery of the legal Healthwatch function for Herefordshire to a newly-established company, to be called Healthwatch Herefordshire, which will receive back office functions and support provided by Healthwatch Worcestershire to enable synergies and reduce duplications, is approved;</p> <p>(b) The negotiated funding level of £163,000 for 14 months is approved;</p> <p>(c) In the event of recommendation (a) not being practical, approval for delegated authority to the director for adults and wellbeing, in consultation with the cabinet member health and wellbeing, to award an interim contract arrangement to another provider within the funding set out in recommendation (b);</p> <p>(d) By virtue of this decision report an exemption to paragraph 4.6.13.7 of the council's contract procedure rules shall be granted to enable the extensions for the reasons as set out in the paragraphs identified below and referred to throughout this document.</p>
Reasons for the Decision:	1 HVOSS currently host the Herefordshire Healthwatch service and consideration was being given to a 12 month contract extension to 31 March 2018, to allow for a service review and to undertake a competitive tender process. However, on 1 February 2017 HVOSS informed the council that it would not be accepting the contract extension. This has not allowed time for a

	<p>competitive tender, and due to the legal nature of the service, a direct award is required.</p> <p>2 The previous decision to extend the contract to 31 March 2017 allowed sufficient time to undertake a service review. However, given a change in the council's adults and wellbeing commissioning structure and reduction in resources, it has not been possible to complete this. The necessary resource is now available and the timescales within the report show the steps required.</p> <p>3 Healthwatch Worcestershire are an established provider who will provide support in developing the service and back office functions to allow for any synergies of service, this is also aligned to the national wider health and social care footprint of the Sustainability and Transformation Plans (STP) and possible economies of scale. Like all Healthwatch providers, however, they are not able to provide the Healthwatch service out of their own county.</p> <p>4 The 14 month contract will allow appropriate time for the Healthwatch service to be subjected to a full review, service re-design and a competitive procurement exercise.</p> <p>5 The intention is to encourage a new company to be formed called Healthwatch Herefordshire. To enable a limited company to be established a board of directors will need to be appointed to deliver the Healthwatch Herefordshire service. Given the limited time available within which this is required to be implemented, if this solution is found not to be practical authorisation is being sought to allow the director for adults and wellbeing, in consultation with the cabinet member health and wellbeing, to award an interim contract if required to ensure the legal duties are discharged for a period of 14 months whilst a full procurement exercise is undertaken.</p> <p>6 The award will enable the continued provision of the service as required under the Health and Social Care Act 2012.</p>
<p>Options Considered:</p>	<p>Alternative options</p> <p>1 Terminate the contract at the end of the current extension period of 31 March 2017 with no continuation of service provision. The council has a legal duty to commission a Healthwatch service therefore a service must be in place and this is not recommended.</p> <p>2 To undertake a competitive tender exercise for the service prior to termination of the current contract. Due to the current provider, Herefordshire Voluntary Organisations Support Service (HVOSS), issuing a late termination notice to the council, a competitive tender process cannot be undertaken within the available</p>

	<p>timescale.</p> <p>3 To directly award the Healthwatch service to Herefordshire Carers Support (HCS) which currently delivers the operational service function as a sub-contractor to HVOSS. This is not recommended as the credibility of the Healthwatch function is based upon it being independent from other organisations within the health and social care sector. As HCS is a provider of health and social care services within Herefordshire, having the contract explicitly held by them as opposed to a sub-contractor, would therefore risk undermining the reputation for impartiality, which is essential for the Healthwatch function.</p> <p>4 To directly award to another provider. This is not recommended as soft market testing earlier in the year was unable to identify any other existing organisation that would be able / willing to take on the Healthwatch Herefordshire function within the funding and timing constraints and deliver this to an acceptable standard, without potential conflicts of interest.</p>
<p>Conflict of Interest ■ (See below)</p>	
<p>Date the decision is due to take effect:</p>	<p>31 March 2017</p>

COUNCILLOR P MORGAN Date: 27 March 2017
CABINET MEMBER HEALTH & WELLBEING

▪ a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;

And

▪ in respect of any declared conflict of interest, a note of dispensation granted by the relevant local authority's head of paid service.