

**REPORT TO:** Executive Board Sub Committee

**DATE:** 15<sup>th</sup> July 2011

**REPORTING OFFICER:** Strategic Director, Communities

**SUBJECT:** Extension of Local Involvement Network (LINK) Contract

**WARDS:** All Wards

## **1.0 PURPOSE OF THE REPORT**

1.1 Present the case for extending the Link Host contract for October 2011-March 2012 to cover the remaining transitional period of LINK to Local HealthWatch.

## **2.0 RECOMMENDATION: That**

- (1) It is recommended that the Halton Local Involvement Network (LINK) Host contract is extended with the contractor, St Helens and Halton Community and Voluntary Action (St Helens and Halton CVA) for the period 1st October 2011- 31<sup>st</sup> March 2012 for the sum of £43,727; and**
- (2) In light of the exceptional circumstances, namely guidance from the Department of Health to extend existing provision for the duration of the transitional period, and in accordance with Procurement SO1.8.2 Standing Order 4.1 to be waived on this occasion in view of compliance with Standing Orders would be inconsistent with shared service arrangements with St Helens Borough Council and in order to ensure continuation of a statutory health and social care service to local residents during a period of transition.**

## **3.0 SUPPORTING INFORMATION**

- 3.1 Proposals laid out in the 'Liberating the NHS' White Paper (2010) and subsequent Health and Social Care Bill (2011), lay out provision for LINK to be superseded by Local HealthWatch organisations from April 2012.
- 3.2 A letter from the Department of Health (issued 27.10.10) states that 'the responsibility of local authorities to commission support to LINKs during 2011/12 (the transitional year), as set out in the 2007 Act, remains.'
- 3.3 The letter goes further by stating 'In order to ensure that the vision for a Stronger voice for consumers set out in the White Paper is met the Department of Health's view is that, prior to any changes made through legislation, local authorities **should** consider extending existing LINKs host contracts for a year – where existing contracts allow for this – to run

to March 2012, unless there are strong operational reasons not to do so.' Alternative arrangements must be made in order to continue to provide a LINK service in the event that existing arrangements are not continued during the transitional period.

- 3.4 Due to a 6 month delay in the start of the original LINK Host contract with St Helens and Halton CVA in 2008, funding was carried forward to enable the contract to run for the agreed 3 year period up to September 2011 (first 6 months of transitional year) without any additional financial implications.
- 3.5 Approval is therefore sought for a waiver to extend the existing contractual arrangements for a period of six months from October 2011 – 31<sup>st</sup> March 2012.
- 3.7 The Host contract with St Helens and Halton CVA is joint with St Helens Borough Council. St Helens Council have confirmed their approval for the 6 month extension with the LINK Host. The current joint contracting arrangement for the provision of a shared LINK Host service with St Helens Council has been successful in terms of quality and efficiency. The current LINK Hosts have met the terms of the service specification and St Helens Council is keen to continue the relationship with Halton Borough Council for the transitional period to ensure continuity of service to the public.
- 3.8 Suspension of standing orders is requested on the following basis:
  - Compliance with standing orders would result in clear financial detriment to the Council in that a procurement exercise would be prohibitive in terms of cost and time and due to the specialist nature of the service, would be limited to organisations currently providing LINK Host services.
  - Compliance with standing orders is not practicable to ensure continuity of a frontline service to the public. The transformation of local LINKs into local HealthWatch services is a statutory requirement; extending existing local arrangements will significantly reduce the impact of this change on local people.
  - Efficiencies were achieved by delivering the management of LINK Host as a shared service across Halton and St Helens. An extension to the LINK Host contract would achieve a further 12.5% efficiencies against the current contract value.

#### **4.0 BUSINESS CASE FOR WAIVING STANDING ORDERS**

##### **4.1 Value for money and competition**

The extension to the LINK Host contract will be subject to quarterly monitoring by both Halton and St Helens Councils, as it is a joint contract between the two Authorities. Quarterly monitoring of the Host contract is already well established. In the letter from the Department of Health

(dated 27.10.10) it is stated that  
'...local authorities **should** consider extending existing LINKs host contracts for a year – where existing contracts allow for this – to run to March 2012, unless there are strong operational reasons not to do so.'

To date there have been no performance issues in relation to the LINK Host organisation's progress towards and achievement of outcomes specified in the original contract specification.

St Helens and Halton CVA have agreed a 12.5% reduction in the half yearly budget (October 2011-March 2012) in light of the current financial situation that faced both Halton and St Helens Council's. This will enable the Host organisation to continue to deliver a LINK service to the public, ensuring that the level of quality is not compromised during the transitional period.

It may prove financially detrimental to test a limited market for a 6 month contract. There is also a risk that in pursuing alternative arrangements that continuity of service to the public may be compromised. Extending existing arrangements will minimise the impact on residents and other stakeholders during what is already a potentially confusing period to transform local statutory LINKs into local statutory HealthWatch services.

#### 4.2 **Transparency**

Any Request for Information (RFI) under the Freedom of Information Act (FOIA) will be entered into the corporate FOI Tracking System to ensure that it is dealt with and responded to within the statutory 20-day period.

Contracts are recorded in the Council's contract register accessible via the internet and will be updated to reflect the extension awarded. This ensures that external agencies do have some opportunity to examine contractual outcomes.

#### 4.3 **Propriety and security**

Integrity clauses will be built into the contract document ensuring that only staff with a need to know will have information about the contract. The organisation shall ensure that it complies with all relevant legislation, including the Data Protection Act 1988 and the Freedom of Information Act 2000.

Compliance with anti corruption practices will be adhered to and the contract within the subject of this report will be terminated if there is any occurrence of corruption by the organisation or its staff.

#### 4.4 **Accountability**

Accountability would remain with the Operational Director for Commissioning and Complex Needs and would be subject to scrutiny from internal and external audit processes and Policy and Performance Boards.

#### **4.5 Position of the contract under the Public Contracts Regulations 2006**

These are Part B exempt services under the Contracts Regulations 2006 and the value of this contract is below the financial threshold of £156,442,00.

#### **5.0 POLICY IMPLICATIONS**

5.1 Alternative arrangements to provide a service during the period October 2011- March 2012 will need to be established should the existing contract not be extended.

5.2 Subject to approval by this Board, terms of the original agreement of October 2008 will continue to apply during the extension period. Taking into account further instructions and guidance from the Department of Health, outcomes will be re drafted to allow greater flexibility in operating the contract during the transitional period. The formal agreement will be signed by authorised signatories of the Council and the Host organisation.

5.3 The Department of Health are currently consulting on the future of LINKs and a future report will be presented to the Board in 2012 which outlines the future arrangements.

#### **6.0 FINANCIAL AND RESOURCE IMPLICATIONS**

6.1 The value of the contract extension for the period (October 2011- March 2012) is £43, 727 representing a reduction of 12.5% on the 6 month running costs of the LINK Host.

6.2 St Helens and Halton CVA has agreed to deliver services during the 6 month extension at the reduced contract price.

6.3 Providing alternative arrangements for a 6 month period may affect continuity of service to the public and incur additional financial and resource costs that are disproportionate to the benefit of doing so.

6.4 The required budget is available within the Council's formula grant.

#### **7.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

##### **7.1 Children and Young People in Halton**

No Implications. The remit of LINK does not cover Children and Young People's Services

##### **7.2 Employment, Learning and Skills in Halton**

No Implications

##### **7.3 A Healthy Halton**

LINKs provide the following functions that support improved commissioning and quality of local health and social care services:

- Promoting and supporting the involvement of people in the commissioning, provision and scrutiny of health and social care services
- Obtaining the views of people about their needs for and experiences of local services.
- Conveying those views to organisations responsible for commissioning, providing, managing and scrutinising health and social care services and recommending how services can be improved.

#### **7.4 A Safer Halton**

No implications

#### **7.5 Halton's Urban Renewal**

The views of local people on issues which may include access to centres that provide health and social care services may be sought by the LINK.

### **8.0 RISK ANALYSIS**

- 8.1 If the LINK Host contract is not extended for the 6 month period (October 2011 –March 2012) Halton Borough Council will need to make alternative arrangements to provide an alternative service during the transitional period. This may incur additional cost and resources and impact on the level of service available as any new provider would need a lead in period of several months to establish local networks and stakeholder involvement. .

### **9.0 EQUALITY AND DIVERSITY ISSUES**

- 9.1 The LINK seeks views on health and social care provision from all groups within the community in relation to health and social care services available to Halton residents.
- 9.2 Any contract extension will make provision for the Host organisation to maintain and observe a written Equalities Policy.

### **10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None under the meaning of the Act.