

CABINET

26 June 2012

Title: Healthwatch: New Ways of Involving the Public in Health and Social Care Services	
Report of the Cabinet Member for Health	
Open Report	For Decision
Wards Affected: All	Key Decision: No
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Accountable Divisional Director: Karen Ahmed, Divisional Director, Adult Commissioning	
Accountable Director: Anne Bristow, Corporate Director, Adult and Community Services	
Summary: Healthwatch will be the new local health and social care watchdog and will represent the views of local residents of all ages, advocating and influencing the delivery and commissioning of health and social care services on their behalf. Under the Health and Social Care Act 2012, the Council has a duty to commission a fully operational Healthwatch by April 2013. National guidance specifies the key functions that Healthwatch must deliver, but leaves the local specification up to local authorities to determine the best model to meet the needs of their local residents. This is an exciting opportunity to create something which is innovative, builds on local expertise and effectively represents local residents' views and needs. The report summarises local consultation and views to date which have informed the recommended model for delivering local Healthwatch of a 'hub and spoke'. A central organisation will be the 'hub' and networks with existing local organisations and individuals will make up the 'spokes'. Permission is requested to both agree the model and to go out to tender later this year.	
Recommendation(s) The Cabinet is recommended to agree: (i) To the proposed "Hub and Spoke" model for delivering local Healthwatch as set out in the report; (ii) In principle, to the procurement of Healthwatch along the lines of the outline strategy set out in this report, whether as a sole initiative or as a joint initiative with the London Borough of Havering, and (should ongoing negotiations be successful), also the London Boroughs of Redbridge and Waltham Forest;	

- (iii) To delegate authority to the Corporate Director of Adult and Community Services, in consultation with the Cabinet Member for Health and the Divisional Director of Legal and Democratic Services, to determine the procurement method and strategy for delivering the local Healthwatch and undertake the appropriate procurement of a service provider; and
- (iv) To authorise the Corporate Director of Adult and Community Services, in consultation with the Corporate Director of Finance and Resources and the Cabinet Member for Health, to (a) award the contract upon conclusion of the procurement process; (b) form, establish or participate in such corporate body as may be necessary to create the Healthwatch; and (c) execute or approve the execution of such contracts and any other ancillary legal agreements or documents to facilitate the establishment of the Healthwatch.

Reason(s)

The proposal to tender for local Healthwatch is a legal requirement. It fits with the Council priority to work together with the NHS to support local people to live healthier lives and also to provide social care services to meet people's needs. Healthwatch will give local people greater influence over their local health and social care services, and support individuals to access information about the increased choices available to them.

1. Introduction and Background

- 1.1. The Health and Social Care Act 2012 requires local authorities to commission local Healthwatch.
- 1.2. Healthwatch will replace LINK (Local Involvement Network), which is the current organisation established to lead resident engagement and influence in health and social care at a local level. It will also bring in the NHS advocacy service, currently provided across London by Pohwer.
- 1.3. Healthwatch will be an independently constituted body able to carry out statutory functions, represent the views of both adults and children and it will benefit from a guaranteed seat on the Health and Wellbeing Board. (More detail of the functions are included in Appendix A).
- 1.4. Healthwatch will have a broad remit including providing information and signposting people to health and social care services and promoting choice. Additional funding will be made available for these functions. However, this is unlikely to be substantial and will not be ringfenced.
- 1.5. Local Healthwatch will receive support and guidance from Healthwatch England, the new national champion. Barking and Dagenham Healthwatch will be able to feed up concerns and issues at a national level through Healthwatch England.

2. Local consultation and emerging principles

- 2.1. A number of areas have been piloting Healthwatch through a Department of Health 'pathfinder' programme. The lessons learned from these pathfinders are included at Appendix C (the full version can be found at

http://www.local.gov.uk/c/document_library/get_file?uuid=c96a438b-dbb5-4cfa-8669-8c42a999cbdd&groupId=10171). They have identified that the development of a successful local Healthwatch is dependent upon having a clear local vision and values, as well as understanding the local picture through engagement and mapping.

- 2.2. Healthwatch has been discussed at the Shadow Health and Well Being Board, as well as at its subgroup, the Community and Service User Reference Group. A Healthwatch Steering Group, including key local stakeholders, has been formed to undertake the detailed work on establishing the service. From these discussions, a local vision and a set of principles outlining our local values have been developed.
- 2.3. Our local vision for local Healthwatch is that of a visible, well-known and accessible organisation which actively seeks out and represents the interests of every local resident and ensures that real changes are made which meet our local priorities.
- 2.4. The underpinning values are:
 - Innovation: this is an opportunity to be creative, and the local Healthwatch should not be constrained by what currently exists, nor should it replicate it;
 - Easy to access: Healthwatch needs to be visible and have a single point of access;
 - Added value: Partnership is of the utmost value – Healthwatch will not be able to deliver effectively by working alone, and must develop robust partnerships and networks with other patient, service user and community advocacy groups;
 - Enhanced and effective representation: The new Healthwatch must effectively represent the views of local residents, not just those involved as part of local organisations, and must seek to obtain the view of those people who have not always been heard;
 - Value for money: Consideration should be given to sharing some functions across boroughs so that Healthwatch has a stronger voice but still retains the local connection.
- 2.5. Following on from agreeing the key values and principles, the Healthwatch Steering Group has also discussed what would be the best local model. The favoured option was that of a ‘hub and spoke’. A central organisation would be the ‘hub’, networking with other existing local organisations and individuals, the ‘spokes’.
- 2.6. Further engagement, consultation and mapping is underway to give a clear local context to the functions in conjunction with LINKs and other voluntary sector organisations.

3. Health and Adult Services Select Committee

- 3.1. Health and Adult Services Select Committee (HASSC) discussed Healthwatch and the different models that have emerged from the pathfinders at the meeting on the 23 May 2012.
- 3.2. HASSC agreed with the broad principles established through the Health and Wellbeing Board and further recommended a model which enabled Healthwatch to have a presence across North East London as well as a strong local presence as

many health services are delivered across borough boundaries. HASSC also felt sharing back office functions would also deliver efficiencies.

4. Local Model – “Hub and Spoke”

- 4.1. “Building Successful Healthwatch Organisations” (summary attached at Appendix C: the full version can be found at http://www.local.gov.uk/c/document_library/get_file?uuid=c96a438b-dbb5-4cfa-8669-8c42a999cbdd&groupId=1017) examines the learning from setting up pathfinder Healthwatches in 15 different areas – not all have developed a local model as many have chosen to focus on getting the local values and vision and delivery methods right.
- 4.2. “Building Successful Healthwatch Organisations” identified six different models which would meet the core functions identified by the Department of Health. These are the:
 - Distributed model
 - Consortia model
 - Hub and spoke model
 - Core and associates model
 - Grow a new organisation or corporate body
 - Open tender

The majority of these models rely on Healthwatch providing a central, often co-ordinating role, and working in close partnership with the existing infrastructure.

- 4.3. An options appraisal of these models (Appendix B) has identified that the most suitable for Barking and Dagenham would be the hub and spoke model as it offers the best opportunities for meeting local need and ensuring effective representation. The main benefits to the ‘hub and spoke’ model are that residents have the option of either speaking to a central organisation or alternatively liaising with a trusted local organisation or patient group. Local knowledge and expertise would not be lost. For other models identified, the disadvantages outweighed the benefits, such as not building on existing local knowledge and expertise, no single point of access or complex management structures.
- 4.4. The central organisation, to be known as Barking and Dagenham Healthwatch, would be commissioned. The central organisation would meet locally specified objectives, with issues and concerns being fed up and down through its network of local organisations and through establishing connections with local residents not connected to the groups.
- 4.5. Following discussions with Havering (discussed in section 6) in which Havering have agreed to develop a shared approach, the hub and spoke model has the flexibility to both offer shared services across both boroughs and meet local needs and priorities.

5. What will be commissioned?

- 5.1. Local Healthwatch will take on the functions and services previously carried out by LINK but will have a broader remit (please see detailed description of the functions

at Appendix A). The Health and Social Care Act 2012 also states Healthwatch must be an independently constituted corporate body able to carry out corporate functions, employ people and sub-contract where it chooses.

- 5.2. The intention would be to commission a new organisation as the central Barking and Dagenham Healthwatch, with the remit to manage and deliver the required functions.
- 5.3. The current value of the LINK contract is £98,000 per annum and the new Healthwatch service will not exceed this value unless ringfenced monies are allocated for this purpose. Due to Healthwatch having a larger remit and additional function, the service will have to find more efficient ways of working to support local residents. No savings will be made from delivering this service. The contract duration will be for two years with the option to extend for up to a further two years. This will give the new organisation time to develop and implement a strong local Healthwatch.
- 5.4. For this procurement exercise, once the final model is developed with the participating boroughs, it is proposed to go out to competitive tender. It is vital to procuring the best service that tenderers are able to discuss all aspects of the contract with the Council in order to ensure that local innovative solutions are developed to meet our local requirements. The timetable allows time for this process. The Contract Award Criteria will be finalised as part of the ongoing consultations and negotiations.
- 5.5. The quality element will assess:
 - Value for Money
 - Demonstrating performance management competencies
 - Technical ability
 - Knowledge of customers
 - Demonstrating outcomes

6. Joint service with neighbouring borough

- 6.1. Through discussions with neighbouring London boroughs, Havering have agreed to develop local Healthwatch jointly. Barking and Dagenham would lead on the commissioning process on Havering's behalf. The core functions (Appendix A) of Healthwatch will be commissioned across both boroughs, with added specialisms in each borough to meet local requirements. This would be within a joint annual budget of up to £158,000. Barking and Dagenham contribution would be up to £98,000 (the current level of funding for LINKs) and a further amount of up to £60,000 would be contributed by Havering.
- 6.2. Discussions with the London boroughs of Waltham Forest and Redbridge are still ongoing.

7. Consultation

- 7.1. Healthwatch has been discussed at the Community and Service User Reference Group, the Healthwatch Steering Group, the Health and Wellbeing Board and HASSC.

- 7.2. As discussed in section 2, wider stakeholder consultation will continue to be undertaken to develop the local model.

8. Financial Implications

Implications completed by: Ruth Hodson, Finance Group Manager

- 8.1. Funding for Healthwatch in 2012/13 has been rolled into the Learning Disabilities Health Reform Grant. This funding is a specific grant and with agreement from cabinet all additional growth has been taken as a contingency to mitigate any future risks as per the Cabinet report on 14 February 2012.
- 8.2. LINKs is currently funded from the core budget and this funding will be transferred to fund Healthwatch. Any dual running costs and set up costs will have to be funded within current resources. If the cost of Healthwatch exceeds current budget provision for LINKs, this will also have to be funded within current resources.
- 8.3. The indirect costs of the tender process and the managing of the contract through the commissioning team will be met through existing resources within Adult Commissioning.
- 8.4. The tender exercise will assist in assessing the financial appropriateness of any perspective provider.

9. Legal Implications

Implications completed by: Eldred Taylor-Camara, Legal Group Manager

- 9.1. This report sets out recent provisions under the Health and Social Care Act 2012 which require local authorities to commission an effective and efficient local organisation (to be called Healthwatch) to act as local consumer representative for patients, service users and the public.
- 9.2. This report explores a number of models and methods for delivering the Healthwatch organisation and recommends that Cabinet give in-principle agreement for the procurement of Healthwatch along the principles set out in this report.
- 9.3. The Council is in discussion with other London Boroughs with a view to jointly procuring Healthwatch and as such the detail of the procurement has not yet been fully finalised. Cabinet is therefore also being asked to delegate authority to the Corporate Director for Adult and Community Services, in consultation with the Cabinet Member for Health and the Divisional Director of Legal and Democratic Services, to determine and finalise the procurement method and strategy for the procurement following these discussions and negotiations. Such delegation will ensure Member involvement with the procurement and ensure that all legal requirements are complied with.
- 9.4. Contract Rule 13.3 provides delegated authority to the commissioning Corporate Director, in consultation with the Corporate Director for Finance and Resources, to approve the award of a contract upon conclusion of a duly conducted procurement exercise, in the absence of direction to the contrary from Cabinet.

- 9.5. The Public Contracts Regulations allow local authorities to enter into contracts with service providers, following a competitive tendering process. The particular services to be procured for Healthwatch are classified as Part B services under the Public Contracts Regulations and thus the procurement is not subject to the full tendering regime in the Regulations. In conducting the procurement however, the Council still has a legal obligation to comply with the relevant provisions of the Council's Contract Rules and with the EU Treaty principles of equal treatment of bidders, non-discrimination and transparency in procuring the contracts.
- 9.6. The EU Treaty principles require the advertisement of contracts in a manner that would allow any provider likely to be interested in bidding for the contract to identify the opportunity and bid, should they wish to do so. The procurement strategy will set out how and where the contract will be advertised. This will include the Council's website.
- 9.7. The Government Guidelines envisage that Healthwatch will be established as a separate corporate body. The Corporate Director for Adult and Community Services will consult with the Legal Practice to determine what corporate model will best suit the needs of Healthwatch.
- 9.8. In deciding whether or not to give permission to undertake a competitive tendering exercise to procure the provision of a local Healthwatch, Cabinet must satisfy itself that the procurement will represent value for money for the Council.

10. Other Implications

- 10.1 **Risk Management** - Risks in ensuring that local Healthwatch meets the needs of residents will be minimised by keeping abreast of national guidance, best practice. As discussed it is important to continue consulting widely with key stakeholders and residents to determine the most appropriate design which reflects and meets local needs and issues.

The method by which the new service is procured will ensure that the best organisation(s) is identified to deliver the service. Advice will be sought on the method.

The tender exercise will assist in assessing the financial stability of any prospective provider and their ability to meet the identified outcomes within the financial envelope.

Once financial stability has been established the main risk involved will be the quality of the service delivered. Technical ability will be assessed during the tender stages. Providers will be expected to demonstrate ability to:

- Promote and support the involvement of people in the monitoring of local care services.
- Make reports and recommendations about how those services could or should be improved.
- Provide quality service and make continuous improvements.
- Improve outcomes for local people.

Once a provider has been chosen, written contractual arrangements will contribute to ensuring a quality service. The contracts will be monitored and managed by a dedicated officer from the Commissioning Team. They will liaise with relevant organisations as and when required in order to resolve any issues which arise.

Council officers will conduct unannounced visits to monitor the quality of the provision. Quality surveys will be conducted by the provider and the Council. The provider will have to report any complaints made to the Council.

10.2 **Contractual Issues** - There is no requirement for this tender to be advertised in the OJEU as this is a Part B service and this tender is, therefore, not subject to full EU regulations.

If required once contract value is established, the tender process will be conducted in compliance with relevant European Union rules and principles and Council Rules. The tender will be advertised on the Council's website and on the Contracts Finder website.

Indicative tender timescale outline:

Action	Start Date	Target Completion Date
Cabinet approval	26 June 2012	26 June 2012
Advertising for the Tender, requesting Expressions of Interest	30 August 2012	14 September 2012
Workshops	15 September 2012	11 October 2012
Send out Invitations to Tender	12 October 2012	18 October 2012
Receipt of tenders	19 October 2012	20 November 2012
Tender Evaluation	21 November 2012	26 November 2012
Tender Interviews	27 November 2012	07 December 2012
Award Tender	14 December 2012	14 December 2012
Contract commences and Healthwatch commissioned	01 April 2013	01 April 2013

10.3 **Staffing Issues** - There are no staffing issues in respect of the Council's workforce. However there could be possible Transfer of Undertakings (Protection of Employment) TUPE implications for staff currently employed at the LINK. Because there are possible TUPE implications the process that will be followed as part of this procurement exercise is as described below:

- a) the incumbent provider will be advised that they will need to supply TUPE information to the Council before the re - tender exercise commences;
- b) it will be made clear in the advert and Expression of Interest documents that TUPE may apply so that prospective tenderers are aware of this matter before they apply to be on the select tenderers list;

- c) six weeks before the tender documents are due to be sent to selected tenderers, a TUPE template document will be sent to the current provider to complete. The incumbent provider will also be asked to send any supporting documents (policies/procedures/pension information etc) to the Council and to advise the Council of any changes once the template has been completed and returned;
- d) the returned completed templates and any supporting documentation will be included in the Invitation to Tender packs so that all tenderers have this information available to them when completing their tender return;
- e) tender returns will be carefully reviewed to ensure that TUPE has been considered and returns reflect TUPE considerations: where necessary clarification will be sort by the Council:
- f) at interview stage TUPE will be discussed with providers. The Council will make it clear to providers that the Council will be available to facilitate meetings between providers in the case of TUPE. The Council's role will, however, be minimal as TUPE will be an issue that will need to be dealt with between the incumbent provider and any new provider;
- g) on award of contract/takeover of service delivery, the Council will monitor the situation to ensure that all TUPE matters are dealt with properly and efficiently.

10.4 **Customer Impact** - A strong local Healthwatch will enable local residents, especially those who voices who have not been heard, to influence the development of strategy and improve local services for local residents. By ensuring effective representation, Healthwatch should enable the development of joined up health and social care services which take account of local residents' views priorities and better meet needs. The information and advocacy provision will support residents to develop an informed and considered view and to be effectively represented at all levels from an individual to a strategic perspective.

10.5 **Safeguarding Children** - The role of Healthwatch will support the development and delivery of safe, good quality health and social care services for both adults and children, archived through such activities as enter and view visits, representing the patient and public voice and ensuring that the views of local people, including comments and complaints are supported and responded to.

10.6 **Health Issues** - An effective Healthwatch will ensure the design of health services through ensuring that the local residents' views are heard.

Healthwatch will ensure that people are signposted to the right services and have access to the information they need.

Healthwatch will ensure effective representation through the provision of NHS complaints advocacy.

Healthwatch will become a member of the Health and Wellbeing Board which ensures residents' views will become part of the decision making process in the

most strategic and influential local decision making body about health and social care.

Background Papers Used in the Preparation of the Report:

- “Supporting Healthwatch Pathfinders - Building Successful Healthwatch Organisations” Local Government Association, April 2012
- http://www.local.gov.uk/c/document_library/get_file?uuid=c96a438b-dbb5-4cfa-8669-8c42a999cbdd&groupId=10171
- “Local Healthwatch: a strong voice for local people – the policy explained” DH March 2012
- <http://healthandcare.dh.gov.uk/files/2012/03/Local-Healthwatch-policy.pdf>
- “How will local Healthwatch work?” DH webpage March 2012
<http://healthandcare.dh.gov.uk/how-will-local-healthwatch-work/>

List of appendices:

Appendix A – Functions of Healthwatch

Appendix B – Summary of key emerging models and analysis

Appendix C – “Supporting Healthwatch Pathfinders - Building Successful Healthwatch Organisations”