

<b>Title of Report:</b>	<b>Healthwatch Commissioning</b>
<b>Report to be considered by:</b>	Executive
<b>Date of Meeting:</b>	17th January 2013
<b>Forward Plan Ref:</b>	EX2582

**Purpose of Report:**

To advise upon:

- (1) the duty set out in the Health and Social Care Act 2012 for each local authority to make arrangements as it considers appropriate for the provision of Local Healthwatch
- (2) to approve the proposed commissioning approach and recommendation.

**Recommended Action:**

The Executive resolves:

- (1) to approve the proposal to commission local Healthwatch as explained in the Report.
- (2) to delegate authority to Corporate Director (Communities) in consultation with Head of Legal Services and Portfolio Holder to enter into any such agreement(s) to give effect to the proposal

**Reason for decision to be taken:**

The Health and Social Care Act 2012 places a duty on all Local Authorities to commission the local Healthwatch, this to be in place by 1st April 2013

**Other options considered:**

Establishing a contractual arrangement with the Independent Living Network and existing Local Involvement Network (LiNK) to provide Local Healthwatch. Discounted on the basis that financial thresholds are in excess of £50,000 meaning a competitive tender is required and stakeholder engagement indicated a number of provider organisations would want to bid for the work

**Key background documentation:**

n/a

The proposals contained in this report will help to achieve the following Council Strategy priority:

**CSP1 – Caring for and protecting the vulnerable**

The proposals will also help achieve the following Council Strategy principles:

**CSPL5 - Putting people first**

**CSPL7 - Empowering people and communities**

The proposals contained in this report will help to achieve the above Council Strategy priorities and principles by:

Portfolio Member Details	
<b>Name &amp; Telephone No.:</b>	Councillor Graham Jones - Tel 07767 690228
<b>E-mail Address:</b>	gjones@westberks.gov.uk
<b>Date Portfolio Member agreed report:</b>	15 November 2012

Contact Officer Details	
<b>Name:</b>	Tandra Forster
<b>Job Title:</b>	Service Manager - Contracts & Commissioning
<b>Tel. No.:</b>	01635 519248
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## Implications

### Policy:

### Financial:

The Health and Social Care Act requires all Local Authorities to commission a local Healthwatch. Funding comprises two elements: £75,000 per annum legacy funding allocated to the Council for commissioning Local Involvement Network (LINK) which Local Healthwatch replaces and £36,500 per annum additional funding allocated by the Department of Health. The funding is currently only in place for the next two years 2013/14 and 2014/15 and is intended to support the development of the appropriate infrastructure.

### Personnel:

N/A

### Legal/Procurement:

The life of the contract will be in excess of £50,000 so it is recommended that this service is commissioned using a competitive tender process. Given the funding has only been agreed for the next two years it has been recommended that the initial contract is for a 2 year period with agreement to extend on an annual basis for a maximum of 3 years.

### Property:

N/A

### Risk Management:

### Equalities Impact Assessment:

See Appendix A

<b>Is this item subject to call-in?</b>	Yes: <input checked="" type="checkbox"/>	No: <input type="checkbox"/>
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# Executive Summary

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## 1. Introduction

- 1.1 Healthwatch is the new independent consumer champion for people who use health and social care services. It exists in two forms: Healthwatch England, a national statutory body launched by the Department of Health in October 2012 and local Healthwatch which the Health Social Care Act 2012 requires all Local Authorities to have in place by April 2013.
- 1.2 Local Healthwatch (LHW) is intended to replace and build upon the existing patient and public engagement mechanism the Local Involvement Network (LiNK). It will benefit patients, service users, carers and the public by helping people to get the best out of services, improving outcomes and helping services to be more responsive to what people want and need. Like LiNK, LHW will continue to work with communities to influence commissioners to design, and provide better health and social care services.

## 2. Commissioning

- 2.1 The Health and Social Care Act 2012 requires all local authorities to put in place arrangements to establish a LHW by April 2013. Funding for this will comprise two elements: £75,000 legacy funding originally used to support the development of the LiNK and £36,500 additional monies allocated by the Department of Health (DoH) to support the development of a robust infrastructure for the LHW.
- 2.2 The additional DoH funding has only been made available for the next two years. Therefore legal services have advised that the initial contract term offered is for two years with the provision to extend for a further year for the following three years making a maximum contract term of 5 years. This should allow time for the Local Authority and the LHW provider to manage risk around changes in funding allocation.
- 2.3 Given the timescale requirements the Head of Legal Services has agreed to the use of an open procurement process which will enable a contract award in January 2013. This will enable time for a transition period from LiNK to LHW, and for an appropriate infrastructure to be established.

## 3. Equalities Impact Assessment Outcomes

- 3.1 An EIA stage 1 has been completed. This recommends that there is no requirement to proceed to a stage 2 assessment; this is on the basis that the new Local Healthwatch will take on the functions of the existing LiNK and be accessed by the same cohort of people. The contractual arrangements contain safeguards to ensure that the new provider meets the term of the specification.

## 4. Conclusion

- 4.1 The new Health and Social Care Act 2012 places a duty on all local authorities to put in place arrangements for the Local Healthwatch by April 2013. Work has been undertaken to consider the most appropriate approach and to manage risks. Commissioning arrangements as outlined in the report will ensure the Council fulfils its duty.

# Executive Report

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## 1. Introduction

- 1.1 Healthwatch is the new independent consumer champion for people who use health and social care services. It exists in two forms: Healthwatch England a national statutory body launched by the Department of Health in October 2012 and local Healthwatch which the Health Social Care Act 2012 requires all Local Authorities to have in place by April 2013.
- 1.2 Local Healthwatch (LHW) is intended to replace and build upon the existing patient and public engagement mechanism the Local Involvement Network (LiNK). It will benefit patients, service users, carers and the public by helping people to get the best out of services, improving outcomes and helping services to be more responsive to what people want and need. Like LiNK, LHW will continue to work with communities to influence commissioners to design, and provide better health and social care services. Services include those provided to children as well as adults.
- 1.3 The LiNK will cease to function on 31 March 2012; existing work will transfer to the new provider.

## 2. Functions of Local Healthwatch

- 2.1 LHW will have three key functions: information and signposting, engagement and outreach and gathering evidence and intelligence. As part of the evidence gathering LHW will have enter and view powers for adult social care so that they can access services themselves to follow-up concerns.
- 2.2 LHW will be expected to work closely with service users and engage them in the monitoring, commissioning and provision of local services. They will also be expected to make recommendations for investigation or special review to the Care Quality Commission and Healthwatch England.

## 3. Commissioning

- 3.1 The Health and Social Care Act 2012 requires all local authorities to put in place arrangements to establish a LHW by April 2013. As this is a new function it has taken longer for the government to provide sufficient detail to support the commissioning process. All the Berkshire Authorities are working to the same procurement timeline.

As the procurement will be on the basis of an Open Procedure it has been possible to reduce the overall timescale. The procurement was initiated on the 29th October with a projected contract award date of 28th January 2013. See Appendix B - Procurement Timetable for detail of the timings. This should allow sufficient time for the contract to be in place from the 1 April 2013.

- 3.2 Funding for this will comprise two elements: £75,000 legacy funding originally used to support the development of the LiNK and £36,500 additional monies allocated by the Department of Health (DoH) to support the development of a robust infrastructure for the LHW.

- 3.3 The additional DoH funding has only been made available for the next two years. Therefore legal services have advised that the initial contract term offered is for two years with the provision to extend for a further year for the following three years making a maximum contract term of 5 years. This should allow time for the Local Authority and the LHW provider to manage risk around changes in funding allocation.
- 3.4 The Health and Social Care Act contains some constraints about the type of organisation that is selected to provide LHW; specifically that it is a corporate body and that it is established as a social enterprise. Further guidance and regulation is awaited on the exact details as the definition could be open to interpretation.
- 3.5 A number of engagement events and individual meetings with organisations have been held to look at the requirements and potential opportunities for the new LHW; consultation on the service specification has been completed as part of this. As the focus is on both health and social care, engagement has been sought from representatives in Public Health and Health representatives involved in the Health & Well-being Board.
- 3.6 Given the requirement to have the LHW in place by April 2013 the Head of Legal Services has agreed to the use of an open procurement procedure. This means that there is a single shorter process as all appropriate documentation is published at the time of advertising the opportunity.
- 3.7 The procurement process was initiated in October with a planned contract award in January 2013. This will allow time for the new provider to put in place an initial infrastructure, and for the transfer of the existing LiNK programme of work.

#### 4. Risk Management

- 4.1 A number of risks and mitigations have been identified as part of developing this commissioning approach:

	Risk	Risk Management
1.	Additional funding only confirmed for two years	Initial contract term fixed for two years with provision to extend on an annual basis for a further 3 years. This should allow sufficient notice if funding is withdrawn or significantly reduced  Funding has been discussed as part of the wider engagement events. Consortia bids have been encouraged as has interest from existing organisations that already have a robust infrastructure.
2.	Limited market place	A number of engagement events have been completed to test the market. Consortia bids have been encouraged. Feedback from other local authorities has been that although interest has been limited there has been enough to allow a provider to be selected.

3.	Information provided by the DoH and as part of the Health & Care Act has been limited; procurement has had to proceed whilst we await more detailed guidance.	This has been discussed as part of the engagement process. All local authorities would face the same risk so it is likely that the DoH would have to review timelines and requirements to allow changes to be addressed.
4	Limited funding which may impact on the deliverability of the service specification. The DoH proposals for the development of Healthwatch are wide ranging and rely on significant engagement by volunteers	Engagement events have encouraged providers to form consortia and evidence of proven track record in working with and attracting volunteers will form part of the selection criteria.
5	Contract not in place by required timeline	<p>This service is dealt with under Part B (Residual Services) of the Official Journal of the European Union (OJEU). These are services that the European Union consider would only be of interest to bidders in the Member State. This means there is more flexibility in the tender process as long as it is transparent, allows equal treatment and is non-discriminatory.</p> <p>An open procurement process is being used, this will allow the procurement to operate to a shorter timescale which should enable us to meet the timeline.</p>

## 5. Conclusion

- 5.1 The new Health and Social Care Act 2012 places a duty on all local authorities to put in place arrangements for the Local Healthwatch by April 2013. Work has been undertaken to consider the most appropriate approach and to manage risks. Commissioning arrangements as outlined in the report will ensure the Council fulfils its duty.

## Appendices

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- Appendix A – Equality Impact Assessment – Stage 1  
Appendix B - Procurement Timetable

## **Consultees**

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- Local Stakeholders:** As part of public engagement events held in September and October, as well as through individual meetings.
- Officers Consulted:** Shiraz Sheikh - Procurement & Contracts Solicitor  
Jenny Matheson - Solicitor, Corporate Services Team  
Mike Sullivan - Procurement Officer  
Melanie Ellis - Finance Manager, Community Services  
Jo John - Contracts & Commissioning Officer  
Elaine Walker - Principal Policy Officer (Equality & Diversity)
- Trade Union:** N/A

## Equality Impact Assessment – Stage One

<b>Name of item being assessed:</b>	Healthwatch Commissioning
<b>Version and release date of item (if applicable):</b>	
<b>Owner of item being assessed:</b>	Tandra Forster
<b>Name of assessor:</b>	Tandra Forster
<b>Date of assessment:</b>	08.11.12

<b>1. What are the main aims of the item?</b>
To advise the Council about the new requirements, as set out in the Health & Social Care Act 2012, to commission a local Healthwatch. To set out the functions of the new Healthwatch and the proposed commissioning process.

<b>2. Note which groups may be affected by the item, consider how they may be affected and what sources of information have been used to determine this. (Please demonstrate consideration of all strands – age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation)</b>
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<b>Group Affected</b>	<b>What might be the effect?</b>	<b>Information to support this.</b>

<b>Further comments relating to the item:</b>
No group identified. This is a specific requirement as set out in the Health and Social Care Act 2012. A range of briefings and guidance has been provided to inform the service specification. The new organisation will replace the existing patient and public engagement mechanism the Local Involvement Network (LiNK). The service will retain the same functions and be accessed by the same groups of people. The service specification set out clear aims for the new provider and includes the requirement for the new organisation to have robust governance arrangements. The contract has clear objectives that the organisation will be monitored against to ensure that it works effectively, transparently and in a way that engages widely with the local community.

<b>3. Result</b> (please tick by clicking on relevant box)	
<input type="checkbox"/>	<b>High Relevance</b> - This needs to undergo a Stage 2 Equality Impact Assessment
<input type="checkbox"/>	<b>Medium Relevance</b> - This needs to undergo a Stage 2 Equality Impact Assessment
<input type="checkbox"/>	<b>Low Relevance</b> - This needs to undergo a Stage 2 Equality Impact Assessment
<input checked="" type="checkbox"/>	<b>No Relevance</b> - This <b>does not</b> need to undergo a Stage 2 Equality Impact Assessment

**For items requiring a Stage 2** equality impact assessment, begin the planning of this now, referring to the equality impact assessment guidance and Stage 2 template.

<b>4. Identify next steps as appropriate:</b>	
Stage Two required	
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	
Stage Two not required:	

**Name:** Tandra Forster

**Date:** 08.11.12