

Committee(s):	Date(s):
Health and Social Care Scrutiny Sub Committee	25 th September 2012
Subject: Establishing Healthwatch City of London	Public
Report of: Director of Community and Children's Services	For Information
Ward (if appropriate): All	
<u>Summary</u>	
<p>From 1st April 2013 the City of London has a duty to provide, under the Health and Social Care Act 2012, a Local Healthwatch. This report outlines the background and development of Local Healthwatch nationally and the creation of Healthwatch England. It outlines the key priorities and characteristics of the proposed Healthwatch City of London specification which has been developed with the DoH Joint Improvement Partnership (JIP) and partner local authorities.</p> <p>The report also updates Members on the work of the City LINK (Local Involvement Network) as an interim Healthwatch Pathfinder.</p> <p>As a result of the work with the JIP and a consultation process with partner's and stakeholders, and having sought advice and guidance from the Comptroller and the Strategic Procurement Unit it is recommended that; to reduce any potential risk to the CoLC and to provide a credible, sustainable and cost effective Local Healthwatch the service should be tendered.</p> <p>Recommendations</p> <p>Members are asked to:</p> <ul style="list-style-type: none"> • Note the progress to establish Local Healthwatch and the current proposals for Healthwatch England, • To agree the recommendations that (para 38) Healthwatch City of London should be established by tender process, • To agree that the authority to appoint the successful provider of Healthwatch City of London be delegated to the Director of Community and Children's Services. 	

Main Report

Background

1. Members of the Health and Social Care Scrutiny Subcommittee have been monitoring the developments and progress of Healthwatch and received reports from Officers in February 2012 and from the City LINK in May 2011.
2. On 21 March Parliament passed the Health and Social Care Act 2012 which proposes the replacement of the LINKs (Local Involvement Network) with a Local Healthwatch (LHw) on the 1st April 2013. In future the LHw will be the organisation that will act as the consumer champion for health and social care and a 'statutory function' of a Local Authority and the City of London.
3. The legislation requires the new LHw delivery organisation to be "not for profit" i.e. a Social Enterprise (charity, voluntary or community organisation). This makes LHw substantially different from the existing LINK which is a network of volunteers supported by a host organisation.
4. It is anticipated that the funding for HwCoL will be approx. £50,000 per annum (with a possible additional £20,000 in year one). This is the same as the current funding for the City LINK host organisation. The funding is non-ringfenced and will not be confirmed until November.

Progress nationally and regionally

5. Nationally the Department of Health (DoH) is sharing lead responsibility for LHw with the Local Government Association (LGA), each taking responsibility for health and local authority functions respectively.
6. The Health and Social Care Act 2012 also creates a new overarching body, Healthwatch England (HwE), from October 2012. HwE will represent LHw at a national level and will be a committee of the Care Quality Commission (CQC).
7. HwE will advise the NHS Commissioning Board, English local authorities, Monitor and the Secretary of State. HwE will have the power to recommend that action is taken by the CQC when there are concerns about health and social care services.
8. HwE will provide training, promote best practice, facilitate relationships with national bodies, collate intelligence and potentially coordinate 'enter and view' functions with CQC inspections.
9. CoLC has been part of the DoH Joint Improvement Partnership (JIP) Healthwatch Commissioner Group and has been working on a national

specification and guidance and advising the DoH and LGA on the implementation of the legislation.

10. The DoH issued Secondary Legislation on the 30 July 2012 and it aims to issue the final regulations (on contracts) and draft regulations (on entry and viewing) in October and November respectively.

Healthwatch City of London specification

11. Some of the existing responsibilities and features of the City LINK will be retained:
 - Promoting local involvement in health and social care matters,
 - Obtaining patient and public views, and keeping an ‘issues log’,
 - Monitoring health and social care services (adults),
 - Making reports and recommendations to Commissioners, Local Authorities and the NHS,
 - Carrying out Enter and View visits.
 - Maintaining and managing a volunteer membership base.
12. In addition HwCoL will be required to carry out the following new functions and roles:
 - Be the consumer champion for health and social care services in the City of London.
 - Obtain the views of people about their needs for and experience of local care services and make those views known to those involved in the commissioning, provision and scrutiny of care services, and make recommendations to HwE,
 - Be a member and responsible to the H&WBB, inform the local Joint Strategic Needs Assessment (JSNA) and the Health & Wellbeing Strategy,
 - Working in partnership to develop services with both statutory and SME
 - Have a scrutiny role for children’s health care services (excluding Enter and View) and involved in service inspections.
13. The main HwCoL specification has been developed in conjunction with partner Boroughs and the JIP. The key characteristics are outlined in Appendix A and the full specification is available on request.
14. Due to its limited funding, the specification will require that HwCoL’s main operational focus will be to work with the City’s communities and promoting its services in the City. The national LHw role will be led by HwE and HwCoL’s only wider responsibilities will be with a London regional LHw group.
15. The main features of the specification are a Governance framework, requiring the HwCoL Executive to be representative of the City’s

communities, and measures to ensure the Executive has the skills and abilities to lead such an organisation. Also governance with regard to clear reporting lines and the raising of 'concerns'.

16. The specification will also require HwCoL to develop a partnership working approach, especially with the City's voluntary sector, to improve outcomes, reduce duplication and provided added value and value for money. Also to attract additional funding from other sources to endure the sustainability of the service.
17. An initial three year contract is proposed, subject to available funding each year. This would support the City's statutory duty and allow the new organisation time to develop the service and provide some organisational security.
18. A LHw is also required to provide a Signposting Service to the public to improve access to health and social care services. This replaces the current PALS service. For the first year it is proposed that this service will be provided with CityAdvice (managed by Toynbee Hall).
19. This would obligate the need to tender immediately and allow HwCoL to concentrate on establishing itself and developing a credible and effective operational structure. It will also ensure City residents and service users receive a responsive and knowledgeable service from day one.

Progress by Healthwatch City Pathfinder (City LINK)

20. City LINK was one of 75 LINKs that applied and were granted Healthwatch Pathfinder status in autumn 2011. The City LINK has shadowed the national Healthwatch development. The Chairman of the City LINK represents LINKs on the national HealthWatch Advisory Group, and the HealthWatch Programme Board.
21. The City LINK Steering Group has produced draft Terms of References, a Constitution and Articles of Association in readiness to become a Social Enterprise should it be required to transition to LHw. However it has not submitted applications.
22. A core group of members has been identified to stand as potential Trustees and a mailout to the wider membership has gathered considerable interest for support roles in a new organisation.
23. City Link has provided a position statement on their progress for Members, Appendix B. Further performance information is available on request.

Options for providing Healthwatch City of London

24. The commissioning officers in the Department have worked and consulted with partner Local Authorities regionally, the LGA and the JIP to develop the following options for providing a HwCoL;

Option One

25. To openly tender the HwCoL specification. CoLC would invite established Social Enterprises to provide their proposals for how they would create, support and deliver an effective and credible HwCoL.
26. A large percentage of authorities will be tendering LHw simultaneously and there is already a high degree of interest in LHw from Social Enterprises. This includes some of those who already provide services for CoL.
27. The tendering processes could create an opportunity for Social Enterprises to submit bids that demonstrate innovation and creativity as well as encourage ideas to obtain added value and value for money.
28. City LINK could submit a tender as an incorporated body or establish a legal agreement with a partner organisation (Social Enterprise). However, it would need to ensure that the organisation was viable and sustainable.
29. CoLC would need to begin the tender process immediately after Members decision to ensure a new service was in place for the 1st April 2013.

Option Two

30. For CoL to 'create' a HwCoL. A small number of Local Authorities have decided to form a new dedicated independent organisation and are proposing to provide administration support from within their Authorities.
31. With the CoLC's limited resources and small resident population this may prove difficult to sustain. Concerns have been raised about independence and probity of such an organisation.

Option Three

32. To 'transition' City LINK into HwCoL. To take on the additional responsibilities the City Link would need to finalise its preparations to become an incorporated body. The new organisation would have to be fit for purpose by the 1st April 2013. Should the City LINK become HwCoL it would need to be grant funded.
33. The City LINK would also need to agree to the HwCoL specification. To do so it would need to re-establish its governance in line with new the specification and offer all existing members an 'opt-in' to the new organisation.

34. It would also either have to agree a contract with a support agency (Social Enterprise) or recruit new staff to support the Executive and membership.

Option Four

35. To jointly tender with a neighbouring Local Authority. The City's partner boroughs are now already committed to tender independently in-borough. It is also still unclear, under the new legislation, whether joint tendering would be possible.
36. However, the JIP intends to hold a North East London 'meet the buyer event' in October to attract interested Social Enterprises on behalf of LB Hackney, Newham, Tower Hamlets and CoLC.
37. This may result in a pool of organisations tendering and winning multiple contracts in the NEL area. CoLC would pursue any arising opportunity to develop a joint or framework arrangement from the parallel tender processes with partner boroughs.

Recommendations

38. The Comptroller and City Solicitor, Town Clerk and Strategic Procurement Unit have been consulted on the options (para's 25-35) and for advice on the new legislation and to provide an assessment of the risks involved, (paragraph 40 below).
39. Following the consultation exercises and considering the advice received; it is recommended that, to reduce the potential risks, invite creativity, and improve value for money CoLC should tender for the HwCoL service (Option One).
40. It is proposed to invite a Member of Community and Children's Services Committee and a member of the H&WBB to be included on the tender evaluation and appointment panel.

Consultees

41. At the time of writing, both the Comptroller and City of London Procurement Service have considered the legislation and bearing in mind the significant 'duty' place on all local authorities, the unknown aspects of the provision and the current risks associated with transition tendering the HwCoL would be the better course of action.
42. The Town Clerks Department has also been consulted in the production of this report.

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