Appendix A

Consultation note on establishing a local Healthwatch

Purpose

- To outline the statutory requirements
- To outline the funding available
- To set out the current working arrangements, funding and staff of the existing Havering Links and PCT PALs service
- Summarise the issues facing Havering
- Identify the key priorities for Havering and issues requiring decisions
- Set out the options open to Havering with opportunities and risks

Background

Healthwatch is to be the new local Health and Social Care consumer champion and watchdog and will be required to represent the views of local residents of all ages, advocating and influencing the delivery and commissioning of Health and Social Care services.

The Health and Social Care Act 2012 places a duty on the Council (all councils with Social Service responsibilities) to commission a fully operational Healthwatch **by April 2013.**

Healthwatch will replace LINk (Local Involvement Network). It will also bring in the NHS advocacy service, currently provided across London by Pohwer. The PALS (Patient Advice and Liaison Service) currently provided by PCTs will also transfer, with its funding, to the Council and the Independent Complaints Advisory Service. This can either also be provided by Healthwatch or be commissioned as a separate service. It is proposed that it will be included in the Healthwatch functions. Unlike LINk which had to be hosted, in Havering's case by the Shaw Trust, the new service will be directly commissioned.

Healthwatch will have broader remit including providing information and signposting people to Health and Social Care services and promoting choice. Additional funding is to be made available for these functions; however, it will not be substantial and is not to be ring fenced.

In summary, local Healthwatch will have seven main functions:

- Gathering views and understanding the experiences of patients and the public
- Making people's views known
- Promoting and supporting the involvement of people in the commissioning and provision of local care services and how they are scrutinized
- Recommending investigations or special review of services via Healthwatch England or directly to the Care Quality Commission CQC)
- Providing advice and information about access to services and support for making informed choices
- Making the views and experiences of people known to Healthwatch England and providing a steer to help it carry out its role as national champion
- NHS complaints advocacy

The local Healthwatch will receive some support and guidance from Healthwatch England and will be expected feed up concerns and issues to the national level. Health watch England will be an independent statutory committee of the Care Quality Commission (CQC), the national regulator.

The main lessons from the Healthwatch pathfinders were that the development of successful local Healthwatch is dependent upon having a clear local vision and values, as well as understanding the local picture through engagement and mapping.

Each local authority area is, under the legislation to have a Healthwatch and Healthwatch will have a statutory place on each Health and Wellbeing Board.

Funding

LINks funding is being carried forward as the baseline for local Healthwatch funding in 2012/2013. (DH provided direct grant funding for LINks in 2010/11 through area based grant (£132k) but this year, funding is included in the DCLG formula grant). Current annual funding to Havering LINks amounts to £60k (Cost of one member of staff, volunteer expenses and payment to host organisation). All LINKS will cease to exist on 31 March 2013, including the Havering LINKS.

Although the precise funding has still to be determined by central government, from April 2013/14 funding for Healthwatch will have two different elements:

- LINks funding – DCLG Business Rates Retention Scheme (i.e. non ring-fenced part of the government funding provided to Havering to deliver all services)
- Additional Healthwatch funding – route still to be determined (Guide figure for Havering = £46,983)

In addition, there will be funding for the Independent Complaints Advocacy Service. (Indicative grant allocation for Havering = £58,287)

Funding for local Healthwatch will not be ring fenced and decisions are to be made by each local authority.

TUPE may apply to the current individual in the host organisation (the Shaw Trust) who provides administrative support to the Havering LINk, as the functions carried out will transfer to either the new Healthwatch organiser or a supplier to Healthwatch who provides that function. This can only be determined with certainty nearer the transfer date.

Key priorities for Havering and issues

Some details of future operating arrangements for Healthwatch are still to be clarified at national level.

The service is being expanded to include responsibilities for **children's services** but unlike adults, will not include the ability to enter and view premises. The details are still being discussed with Ministers and Ofsted. The intention is that there is not duplication with Ofsted, the Children's commissioner / children's rights officers. It will be a **major challenge to provide a comprehensive service** which includes children and young people through a period of whole service review.

Current commissioning in Havering of preventative services for children and young people in social care is under going change with a shift towards a more holistic, whole family approach aimed at bringing about more sustainable solutions and care long-term. This includes a fully integrated health and social care package that is supported effectively through transition as well as better provisioning of therapies to families in need. Further challenges will come in involving numerous stakeholder groups that represent the views of young people as well as the young people themselves.

There is a **very short time scale** – the technical regulations will not be confirmed until November at the earliest and the new service has to be in place by April 2013.

Each local Healthwatch has to provide a member for the local **Health and Wellbeing Board** – the individual will have to cover a very broad brief.

The **funding** is likely to make it difficult to commission the required range of services. The local authority has a duty to ensure the local Healthwatch operates effectively and is value for money.

It has been stipulated that the local Healthwatch will be a **social enterprise 'body corporate'.** The model raises a number of questions especially as the term social enterprise is not recognised in law, but it is anticipated that a Community Interest Company, Charitable Trust or similar organisation will fulfil this criteria.

Areas are taking different stances on the way they are setting up the new Healthwatch organisations. Some areas are commissioning new organisations while others want the new organisation to evolve from their existing LINks. Regardless of which route is followed, if some of the staff involved in the new structures are sufficiently similar to the old roles of LINks, **TUPE may apply**.

The legislation requires each Council to make contractual arrangements to a carry out via a local Healthwatch body, which must be a social enterprise organisation, the involvement of local people in the commissioning, provision and scrutiny of local care services in its area. This was framed to ensure there were no gaps in provision across the country. The draft Bill originally was going to require there to be a local Healthwatch organisation in each local authority area, and this was reflected in the guidance issued by the Department of Health prior to the Bill becoming law. However, the provision for individual Healthwatches for each area was excluded from the final wording of the Act, and the most recent advice from the Department of Health has confirmed that 'the policy position is that we recognise **cross boundary working** and as long as they meet the spirit of the Healthwatch vision i.e. that local people know how to access their Healthwatch, it is for the local authority to decide how best they think to meet this'.

Havering is aware that there are some considerable challenges within the health system in outer north east London. In particular there have been much publicised challenges with the Acute hospital Trust, BHRUT, both in terms of quality of service and budget viability and sustainability. Both Havering and its neighbouring boroughs of Barking and Dagenham and Redbridge recognise and share these concerns. The boroughs are working collectively to work in partnership to assist in redesigning the health system to better serve local people. The challenges remaining to BHRUT are still substantial and it is likely that improvement will be ongoing for some time. In addition, the hospital is the subject of reconfiguration plans which have yet to be fully delivered. In these circumstances it is crucial that there is a very strong voice on the part of patients and users and that there is a degree of co-ordination between the outer London boroughs in playing a significant part in the improvements that are still required.

Havering and its neighbouring boroughs also recognise there is a need to realign services to provide more preventative services and more services in the community to better align with the needs and aspirations for the community. To this end the three boroughs in outer north east London are engaged in an integrated care commission, alongside the CCGs and Trusts in order to develop improved outcomes for local people. Again this calls for a strong Healthwatch body to work alongside and champion the needs of patients and local people in this work.

The above response could enable Havering to proceed with **a shared service** with Barking and Dagenham (and possibly also with another neighbouring London borough). Barking and Dagenham council has confirmed an interest in such an arrangement and could take the commissioning lead for a 'Hub and Spoke' model (a central organisation with locality arrangements) which would ensure there was a local Havering service able to respond to local

priorities. Such an approach would require a competitive tender to secure innovative solutions, meet local requirements and secure value for money. It would have an annual budget of £158k of which Havering would contribute up to £60k. Arrangements would also be made for the PALS functions and complaints advocacy which would add an additional £105k to the commissioning pot.

Key issues about why the decision is urgent

- There is a statutory requirement to have a Healthwatch in place covering Havering by April 2013 – a very short lead-in time
- Healthwatch is to be a new organisation with a broader range of responsibilities than LINks and Havering wants this in place as soon as possible to support the ongoing improvement work described above
- There is a low level of funding and there are similar concerns about the low level of funding for the other changes such as the transfer of Public Health to the council and therefore a decision about how to obtain the best value for money is needed
- The preferred model must ensure the new organisation provides value for money and is able to 'hit the ground running' by establishing early credibility and with the means to meet the agreed local outcomes
- There are high expectations of the new Health and Wellbeing Boards; the Healthwatch member of the Board must be able to make their mark as an effective consumer champion across the whole local system - working collaboratively to influence change but also to challenge poor quality services
- These challenges are greater than in most areas because of the ongoing concerns over BHRUT's performance; this suggests that working closely with other local CCGs and councils covered by the Acute Trust will be essential.
- A service able to utilise a broader range of skills and knowledge through a shared arrangement is much more likely to have the critical mass and influence (with CQC and local stakeholders) to champion local service improvements.

Possible models

MODEL A - Havering Healthwatch evolving from either the current LINk steering group or the host organisation

For	Against
• Would provide continuity • Local lobby for option • Should reflect local priorities • Should avoid TUPE costs	• Possible insufficient experience of broader responsibilities • Missed opportunity to commission new service with appropriate skills • Likely to be insufficient funding / not cost effective given level of funding available • May not have required influence with CQC & local stakeholders to champion essential service improvements • Would need to put cross boundary linkages in place to have a consistent influence on health system overall and BHRUT position

MODEL B - Havering stand-alone organisation procured by Havering council

For	Against
• Local lobby for this option • Should reflect local priorities • May avoid TUPE costs • More likely to cover the range of skills required for the new Healthwatch responsibilities • Focussed on Havering issues only	• May be TUPE costs • Likely to be insufficient funding / not cost effective given level of funding available • May not have required influence with CQC & local stakeholders to champion essential service improvements • Risk of not meeting timescales given Havering has not started commissioning process • Would need to put cross boundary linkages in place to have a consistent influence on health system overall and BHRUT position

MODEL C - Shared Healthwatch 'Hub and Spoke' model, with joint commissioning led by Barking and Dagenham but with added local specification reflecting local priorities

For	Against
• Already system has some shared arrangements with CCGs and possibly with Public Health • Share some NHS Trust services e.g. BHRUT • Some shared concerns about performance of services covering both areas • More likely to have required influence with CQC & local stakeholders to champion essential service improvements • Most cost effective option with reduced spend on support costs • Barking & Dagenham has procurement plan which would meet tight timescales • Low risk of service not being in place by April 2013	• May not reflect local priorities • Havering could be the 'poor relative' • May be TUPE costs. • May be opposition from local community & voluntary sector

A very early decision on the preferred model will be essential in order to meet the challenging timescale of having a local Healthwatch in place for April 2013. A 21 day consultation will be undertaken and a formal political decision made. Barking and Dagenham has developed an indicative tender timescale which would commence with advertising on 30 August, therefore Havering will need to make a decision before then.