



Report of: Executive Member for Health and Wellbeing

Meeting of:	Date	Ward(s)
Executive	21 May 2015	All

Delete as appropriate	Exempt	Non-exempt
-----------------------	--------	------------

SUBJECT: Healthwatch Islington: Re-Commissioning Strategy

1. Synopsis

- 1.1 This report sets out the background to the commissioning of Local Healthwatch in Islington and pre-tender proposals for re-commissioning the service when the existing grant arrangement ends in 2016.
- 1.2 It also sets out the activities and achievements to date and how commissioners and others are working with Healthwatch Islington to deliver the organisation's key statutory responsibilities, while ensuring that it is responsive to, but independent of, local health and social care services.

2. Recommendations

- 2.1 To note the current arrangements with, and activity and progress of, Healthwatch Islington.
- 2.2 To approve the re-commissioning strategy outlined in this report.
- 2.3 To delegate the decision to award the contract at the end of the procurement process to the relevant corporate director in liaison with the relevant Executive Member.

3. Background

3.1 Legislation and Parameters

The Health & Social Care Act 2012 created Local Healthwatch as the new consumer champion for health and social care services, with a duty on local authorities to set up and fund the new body from April 2013.

Building on the Local Government & Public Involvement in Health Act 2007 which introduced Local Involvement Networks (LINKs) as the way for individuals and communities to become involved in the planning, commissioning and delivery of health and social care, the new body has an extended role which includes supporting individuals to make choices about health and social care.

The Department of Health provides the following description of the service:

A local Healthwatch will be an independent organisation, able to employ its own staff and involve volunteers, so it can become the influential and effective voice of the public. It will have to keep accounts and make its annual reports available to the public

The aim of local Healthwatch will be to give citizens and communities a stronger voice to influence and challenge how health and social care services are provided within their locality. Local Healthwatch will have a seat on the new statutory health and wellbeing boards, ensuring that the views and experiences of patients, carers and other service users are taken into account when local needs assessments and strategies are prepared, such as the Joint Strategic Needs Assessment (JSNA) and the authorisation of Clinical Commissioning Groups. This will ensure that local Healthwatch has a role in promoting public health, health improvements and in tackling health inequalities.

- *Local Healthwatch will enable people to share their views and concerns about their local health and social care services and understand that their contribution will help build a picture of where services are doing well and where they can be improved (LINK function)*
- *Local Healthwatch will be able to alert Healthwatch England to concerns about specific care providers (NEW function)*
- *Local Healthwatch will provide people with information about their choices and what to do when things go wrong; this includes either signposting people to the relevant provider (NEW function)*
- *Local Healthwatch will provide, or signpost people to, information about local health and care services and how to access them (NEW function)*
- *Local Healthwatch will provide authoritative, evidence-based feedback to organisations responsible for commissioning or delivering local health and social care services (LINK function).*

So local Healthwatch feeds views and any recommendations to Healthwatch England to act on at a national level. Together with the 152 Local Healthwatches they form the Healthwatch network.

3.2 Current commissioning arrangements

In February 2012, the Director of HASS agreed to grant aid Islington LINK (for two years) to become Healthwatch Islington, based on its track record and unique capacity at that time to deliver the above functions in an undeveloped market. The grant was given on the basis that future commissioning would be in the form of open procurement.

The grant was extended for a third year by the Executive in March 2014, to support the incumbent organisation to continue to develop and settle into its delivery of the new service. The grant now expires on 31 March 2016 and the Executive agreed to receive a further report in 2015 setting out the proposed re-commissioning approach.

It is not Council policy to rely on grants, as grants are not subject to contract law, can be of unlimited value, given to any type of organisation, but cannot be readily recouped. They only have broad objectives to be achieved and are not generally monitored as closely as a contract. It is therefore usual and preferred to not to give a grant to deliver a Council's statutory obligations in full; this should be managed by contract. Care needs to be taken to ensure a situation of State Aid does not occur, which may be perceived where the Council's actions have actively distorted the competition in the market without an effective competitive process.

3.3 Local Healthwatch activity update

Healthwatch Islington was incorporated as a limited, not-for-profit company in February 2013, and the new service launched at the annual LINK fair on 23 March. A report to the Executive in March 2014 set

out early work and achievements, and these are detailed in the organisation's annual report on its first year of activity:

More recent activities are set out in the attached document at Appendix1.

Some of the Islington work has been showcased at national level by Kings Fund and Healthwatch England, and they have spoken about their work at the London Assembly.

Performance and funding levels are benchmarked with other London authorities. The commissioner has been working with the Local Government Association to support Healthwatch to build on early successes and address gaps, including:

- Reviewing governance and role descriptions to ensure the organisation has the form and structure to operate most effectively
- Extending its strategic working across the voluntary and community sector, taking up opportunities for sharing, joint working, sub contracting as appropriate
- Involving the community more - and more of the community - in decision making setting priorities, and in the delivery of its services – developing robust mechanisms for discussion with the public
- Obtaining feedback on external perception of the service's credibility and achievements.

3.4 **Vision for the future**

Commissioners are keen to see Healthwatch in Islington build on its current achievements and to play a greater role in Islington in the coming years.

A stakeholder audit is currently being undertaken by the Commissioner, and a workshop/survey will be undertaken with individual members of Healthwatch Islington, and the wider public to inform a new and more detailed specification from 2016.

The commissioner is keen to see the service specifically:

- Develop its core functions, become a force to be reckoned with where it matters to local people
- Strengthen its governance, reward its volunteers (in line with Reward & Recognition policy)
- Extend its partnership working and leadership role within the community
- Find innovative ways of both challenging and working with local providers.

3.5 **Proposed tender process**

A competitive tender process will be undertaken to award a contract to one provider. This is in keeping with the original intentions for the service following an initial grant period, as set out above, and will ensure that the commissioned Local Healthwatch service is awarded in a fair and transparent way. It provides an opportunity to 'test the market', allows other relevant organisations to tender, and gives an opportunity for the existing provider to develop its competitive credentials.

The service to be procured is a two-year contract with option of one 12-month extension. This will allow a degree of stability for the provider while ensuring flexibility for commissioners in a changing health and social care landscape.

The proposed annual value of the contract is £165,500. This represents a saving of 6% on the current grant value (£176,200). It is the mean value of benchmarking across 12 London Boroughs in 2015.

The total value of the proposed two-year contract is £331,000 and £496,500 if extended for a year. No uplift is planned. This falls below the threshold for a Key Decision, and therefore the decision to award the contract can be delegated to the Director.

London Living Wage will apply to this contract. TUPE will apply to the procurement.

Given the value of the contract on offer, this procurement will be advertised. The procurement route

available: advertise a call for expressions of interest and move to a competitive tendering process. The intention is to conclude the process and award the contract in December 2015 with start date of 1 April 2016.

Community involvement will be evident throughout the procurement process. As outlined above, a workshop will be held by the commissioner to help develop the specification and a lay member of the Clinical Commissioning Group will be part of the decision-making procurement panel.

4. Implications

4.1 Financial implications

The Council has a statutory responsibility to provide a local Healthwatch service to the public that provides information, advice and choice when accessing health and social care services.

The current budget for Healthwatch in Islington is £176k p.a. and this is funded through a combination of Local Reform & Community Voices Grant and Islington's HASS base budget. The proposed value of £165k represents a 6% reduction in budget and should not cause a pressure for the Council.

Providers will be required to ensure that all staff working on this contract are paid at least the London Living Wage.

To avoid future financial pressure for the Council, this contract would need to have a termination clause which allows the ending of this contract if it becomes unaffordable.

Any TUPE cost implications that may arise from this tender will have to be met by existing resources outlined above.

4.2 Legal Implications

Section 221 of the Local Government and Public Involvement in Health Act 2007 (the 2007 Act) imposed a duty on local authorities to make contractual arrangements for the involvement of people in the commissioning, provision and scrutiny of health and social services and requires each local authority to ensure there are means in place to facilitate the carrying out of the specified activities.

Section 182 of Health and Social Care Act 2012 (the 2012 Act) amended section 221 of the 2007 Act to ensure that, as Local Involvement Networks are replaced by Local Healthwatch organisations, the duty is retained by local authorities to make contractual arrangements for the involvement of the public in the commissioning, provision and scrutiny of health and social care services.

Under section 222(2) of the 2007 Act the council has a duty to contract for the activities that are required to be performed by a Local Healthwatch organisation.

It is to be noted that the council's obligation is to fund the activities that are required to be performed by a Local Healthwatch organisation. The council does not have an obligation necessarily to fund an organisation that happens to be named Healthwatch Islington. Under section 45D of the Health and Social Care Act 2008 which was inserted by section 182(11) of the 2012 Act, the Care Quality Commission has power to grant a Local Healthwatch organisation a licence authorising the use of a registered trade mark in order to indicate the carrying-on of Local Healthwatch activities even if the formal name of the organisation does not contain the term "Healthwatch".

The health watch services being procured are subject to the light touch regime set out in Regulations 74 to 77 of the Public Contracts Regulations 2015 (the Regulations). The threshold for application of this light touch regime is currently £625,050.00. The value of the proposed contract is below this threshold. Therefore there are no specific requirements laid down in the Regulations for the conduct of this procurement apart from the general duty to comply with the Treaty principles of equal treatment, non-discrimination and fair competition. The council's Procurement Rules require contracts over the value of £100,000 to be subject to competitive tender.

In compliance with the council's Procurement Rules the proposal outlined in the report is to procure the contract through competitive tendering. On completion of the procurement process the contract may be awarded to the highest scoring tenderer subject to the tender providing value for money for the council.

4.3 Environmental Implications

The contract will have relatively minor environmental impacts; any organisation providing the service will have the standard impacts associated with office-based work, including energy and water use, procurement and waste generation. There will also be resource usage from printing publicity materials and impacts associated with staff and volunteer travel, including emissions and contribution to congestion. It should be expected that the organisation winning the contract would seek to mitigate and minimise these impacts.

4.4 Resident Impact Assessment

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

The initial screening for a Resident Impact Assessment has been completed and has not identified any negative equality impacts for any protected characteristic or any human rights or safeguarding risks.

5. Conclusion and reasons for recommendations

- 5.1 Local Healthwatch was set up in Islington with grant aid to support a new and independent organisation which evolved from the Islington LINK, its statutory predecessor. The three year grant has given the organisation time and support to achieve the objectives of the service and develop a track-record.

In keeping with the council's procurement rules and to ensure an open and transparent approach to re-commissioning, a competitive procurement exercise, as set out above, is proposed to ensure the council secures the most appropriate provider for this service for the ensuing three years.

Appendix 1

Healthwatch Islington achievements 2015

Final report clearance



Signed by: Executive Member for Health and Wellbeing

Date: 28 April 2015

Report Author: Rosemary Lamport

Tel: 020 7527 8153

Email: Rosemary.Lamport@islington.gov.uk