

## **Summary Sheet**

### **Council Report**

Cabinet and Commissioners Decision Making Meeting – 10 October, 2016

### **Title**

Healthwatch Rotherham Service - Exemption from Standing Orders

### **Is this a Key Decision and has it been included on the Forward Plan?**

Yes

### **Strategic Director Approving Submission of the Report**

Anne Marie Lubanski, Strategic Director Adult Care and Housing

### **Report Author(s)**

Clare Burton, Acting Head of Service, Commissioning and Partnerships

Nathan Atkinson, Assistant Director, Strategic Commissioning, Adult Care and Housing

### **Ward(s) Affected**

All

## **Summary**

Healthwatch Rotherham is the local consumer champion for patients, service users and the public, covering both health and social care. Local authorities have a statutory duty to commission a local independent Healthwatch organisation, which in turn has a set of statutory activities to undertake. The statutory activities include gathering local views and making these known to providers and commissioners, monitoring and scrutinising the quality of provision of local services, and a seat on the local Health and Wellbeing Board.

The contract with Healthwatch Rotherham will end on the 31<sup>st</sup> March, 2017.

An exemption from RMBC standing orders is requested for the Healthwatch Rotherham service. There is little evidence to suggest that the market has changed from when this service was originally commissioned. It is unlikely that there will be another provider that could deliver a local Healthwatch service with the same level of experience and local knowledge who has built up good working relationships with both the local statutory and voluntary sector organisations. Therefore, conducting a competitive tendering process would not be the best use of resources.

The Healthwatch Rotherham service is performing well and this has been recognised both locally and nationally.

An exemption from Standing Order 48 (contracts valued at £50,000 and above) is requested to enable a contract to be directly awarded to Healthwatch Rotherham.

It is proposed that the contract with Healthwatch Rotherham is for two years with an option to extend for a further one year from 1<sup>st</sup> April, 2017. The annual value of this contract is £174,150 for 2017/2018 and £156,735 for 2018/2019.

### **Recommendations**

1. That, pursuant to Standing Order 38, the proposed contract for the Healthwatch Rotherham Service be exempt from the provisions of Standing order 48 (contracts valued at more than £50,000 should be commissioned) .
2. That a two year contract be directly awarded to Healthwatch Rotherham from the 1 April 2017, with an option to extend this contract for a further one year.

### **List of Appendices Included**

None

### **Background Papers**

- Local Healthwatch: Progress and Promise Report 2015. Report commissioned by the Department of Health but based on independent research conducted by The King's Fund 2015.
- Healthwatch Rotherham –Key Performance Indicator Framework (Quarter 1).

### **Consideration by any other Council Committee, Scrutiny or Advisory Panel**

No

### **Council Approval Required**

No

### **Exempt from the Press and Public**

No

## **Title**

### **Healthwatch Rotherham Service – Exemption from Standing Orders**

#### **1. Recommendations**

- 1.1 That, pursuant to Standing Order 38, the proposed contract for the Healthwatch Rotherham Service be exempt from the provisions of Standing order 48 (contracts valued at more than £50,000 should be commissioned) .
- 1.2 That a two year contract be directly awarded to Healthwatch Rotherham from the 1 April 2017, with an option to extend this contract for a further one year.

#### **2. Background**

- 2.1 The Health and Social Care Act 2012 amended the Local Government and Public Involvement in Health Act 2007 to make provisions for Healthwatch as the consumer champion for health and social care services. This included a national Healthwatch England and the provision for a local Healthwatch. Healthwatch Rotherham replaced the Local Improvement Networks (LINKs) carrying forward the functions while taking on new, additional functions.
- 2.2 Parkwood Healthcare Ltd was awarded the Healthwatch Rotherham (HWR) contract following an open tender process and the contract commenced on the 1<sup>st</sup> April, 2013. It was always the intention that once Parkwood Healthcare Ltd had established Healthwatch Rotherham that the contract would novate to enable Healthwatch Rotherham to operate as an independent body.
- 2.3 Although the novation of the contract was formally challenged by Parkwood Healthcare Ltd, the Council entered into a deed of termination agreement with Parkwood Healthcare to end any rights and obligations under the existing contract with Parkwood Healthcare Ltd.
- 2.4 A new contract was established with Rotherham Healthwatch on 1<sup>st</sup> September 2014 with an end date of 31<sup>st</sup> March 2015. However, there was the option to extend the contract to the 31<sup>st</sup> March 2017. The contract was extended from April 2015 to March 2016 and then for a further year with a 10% reduction in value of £193,500 from April 2016 to March 2017.
- 2.5 The current contract with Healthwatch Rotherham will end on the 31<sup>st</sup> March, 2017. There is no further option in the contract terms and conditions to extend this contract.
- 2.6 The performance of Healthwatch Rotherham is monitored by the Commissioning Team through the outcomes framework agreed. Performance data as at quarter 1 (April 2016 to June 2016) includes:
  - 99 contacts made to Healthwatch Rotherham
  - 7164 views and opinions collected
  - 26 Community Engagement activities undertaken
  - 61 people signposted to services

- 25 new cases for NHS complaints advocacy
- 32 formal meetings that have taken place or have been attended by Healthwatch staff and volunteers
- 19 volunteers involved in delivering the service
- 80 open NHS complaints requiring advocacy support

2.7 Healthwatch Rotherham continues to make an impact on Health and Social Care Services in Rotherham. Some of the examples of work undertaken and the impacts achieved are detailed in this report.

2.8 Policies produced and strategies that have been influenced, examples include:

- Annual report and mental health guide published and well received by all.
- Autism Strategy - following Healthwatch Rotherham raising the issue that no specific strategy existed, a steering group has met to look at the issue.
- Guide on all Health and Social Care Services – being developed.
- Chair of the Clinical Commissioning Group stated “directory of mental health services providing an excellent resource for the public and clinicians alike”

2.9 Examples of where Healthwatch Rotherham have made an impact include:-

- Following an issue around childhood cancer, a practice has reviewed its protocol.
- Rotherham General Hospital - as a result of complaints made regarding A&E the following has been put in operation: International rounding has been introduced every hour; developing a patient champion role; lead co-ordinator for communication and increased nursing numbers.

2.10 Some examples of the feedback to Healthwatch Rotherham following the support provided to parents about their complaints about Community and Mental Health Service (CAMHS) are:-

- “Daughter has received a lot more support, an apology from CAMHS themselves and better provision for her future treatment”.
- “Thank you soooooo much for all your help over these past few months. We could not have gone through this process without you”.
- “extremely happy with the support and advice you gave to myself regarding my son. He was very very anxious about leaving home to go to appointments with his Camhs worker and often missed appointments but with your help with the situation now our son is having home visits which he is ok with and accessing some help. A very big thank you”

2.11 Healthwatch Rotherham has continued to build up their contacts with Services particularly in relation to young people. The Healthwatch dedicated worker for children and young people (and her young Ambassador) engaged Rush House young people for 8 weeks and attended the pre-established voice and influence session and during their involvement they have taken the group in a new direction and are actively engaging the services that the young people want to talk to. This has resulted in insightful and engaging sessions with specific

individual young people, raising awareness of issues that are pertinent to young people and enrichment of their lives. "Rush House is really pleased to have made the link with Healthwatch Rotherham and can see the positive impact this has made including consistent attendance by a core group of young people who show a great respect for the sessions and the speakers which we hope will continue in the future. Rush House is pleased to be working with the Healthwatch, changing the way that vulnerable young people experience services in Rotherham".

2.12 Healthwatch Rotherham organised for Cartoonist Tony Husband to present an animated depiction of his dad to help spread dementia awareness. The new addition to the street scene is above the offices of Healthwatch Rotherham, which promotes awareness of dementia.

2.13 Healthwatch Rotherham will continue to seek the views of Rotherham residents and they plan to hold an Older People Summit on the 7<sup>th</sup> October, 2016.

2.14 In October 2015, the Commissioning Team carried out a survey of key stakeholders to gather the views of senior officers within RMBC and partner organisations regarding the contribution, influence and effectiveness of Healthwatch Rotherham. Key results and comments were as follows:

- 60% of respondents agreed and 40% strongly agreed that Healthwatch Rotherham reflects a range of views, not just the loudest voices
- 60% of respondents strongly agreed and 40% agreed that Healthwatch Rotherham pro-actively engages with local communities
- 80% strongly agreed and 20% agreed that Healthwatch Rotherham is a respected voice in the borough
- 40% strongly agreed and 40% agreed that Healthwatch Rotherham is influencing health and care services and systems in the borough
- "The CCG enjoys a very constructive relationship with Healthwatch and will continue to work closely with them to ensure patient voices are heard"
- "Excellent at engaging young people"
- "I think it does very well with limited resources and capacity"
- "I think there is not sufficient emphasis on social care".

### **3. Key Issues**

3.1 The governance of Healthwatch Rotherham is well established. How the service is managed is essential to ensure the credibility of the organisation especially when they are challenging providers about their services. How the views from members of the public are gathered and used to determine where changes are required is clear, along with the process to be followed in approaching providers about changes required. The Commissioning Team have always stated that service providers should be given the opportunity to improve their service before issues are raised with the Care Quality Commissioner unless it is of significant concern.

- 3.2 For Healthwatch Rotherham to be delivered effectively, local relationships with stakeholders are required to build legitimacy and influence impact. Healthwatch Rotherham has built positive cooperative working relationships with RMBC, Rotherham CCG, The Rotherham Foundation Trust, and Public Health. Healthwatch Rotherham is a full member of the Rotherham Health and Wellbeing Board and a briefing is provided on the views of local people relevant to the agenda.
- 3.3 Healthwatch Rotherham is known to be one of the better Healthwatch and has been commended at the Healthwatch England annual conference around good practice.
- 3.4 When the Healthwatch Rotherham service was originally commissioned in 2013 the market was limited in relation to suitable providers which resulted in the service being re-tendered in January 2013 in an effort to encourage more providers to tender.
- 3.5 Through the regional commissioning group, an update around current commissioning arrangements has been provided and it is evident that while some Local Authorities have re-commissioned their Healthwatch Service, these have largely been with the same organisation who was originally awarded the contract in 2013, the majority of which are their local voluntary sector organisations. This includes:-
- North East Lincolnshire who remain with their original provider North Bank Forum providing the administrative support to the Healthwatch and they are to issue a second extension to the contract to March 2018.
  - Wakefield has continued with their original provider who has now become an independent organisation in their own right; and is currently in their second year of their contract extension.
  - Voluntary Action Sheffield continues to provide the Healthwatch Sheffield service.
  - Voluntary Action Barnsley continues to deliver their Healthwatch Barnsley service.
  - Calderdale originally commissioned their Voluntary Action Calderdale to deliver their Healthwatch service but have recently re-commissioned the service and the new contract is with Healthwatch Kirklees, a local voluntary sector organisation.
  - East Riding has recently re-commissioned their local Healthwatch and the contract has been awarded to the original provider. The provider is a trading arm of a voluntary sector infrastructure organisation.
- 3.6 The Kings Fund was commissioned by the Department of Health to look at the progress of local Healthwatch organisations. The report published on the 25<sup>th</sup> March 2015, recommend there is a good case for local authority commissioners to continue to provide specific and significant support to their local Healthwatch, at least in the short term. They recognise that there are some 'failing' local Healthwatch organisations where a re-commissioning process is required but in general they recommend that any re-commissioning of local Healthwatch seeks

for now, to further refine the process and outcome performance expectations of existing providers, and support them to improve, rather than look to appoint alternative providers.

#### **4. Options considered and recommended proposal**

4.1 Consideration has been given to whether the Healthwatch Rotherham service is re-commissioned through an open tendering process (option 1) or whether it would be more effective if the existing Healthwatch Rotherham organisation continues and is awarded a new contract (option 2).

4.2 **Option 1** – Re-commissioning the service through open competition would be in line with RMBC standing orders in that contracts valued over £50,000 should be tendered (with between 3 to 6 tenders sought) and this would reflect the current practice of the Commissioning Team in relation to re-commissioning services. However on this occasion it is felt that re-commissioning the Healthwatch Rotherham service would not be a good use of resources given the market is limited in relation to the number of suitable providers that could deliver the service with the same level of experience. The soft market testing will give an insight into the market and this does not indicate that the potential market offer has grown since the original tender in 2013 and therefore the scope for putting in place alternative quality arrangements is limited. The existing Healthwatch Rotherham organisation have not previously tendered for the service so they may need independent support in order to put in an effective bid.

4.2.1 This option would realise efficiencies of £36,765 over the proposed two year period.

4.3 **Option 2** – A new contract is awarded to Healthwatch Rotherham from the 1<sup>st</sup> April 2017 for two years with an option to extend the contract for a further one year. This option is recommended as this would enable a continued Healthwatch Rotherham service to be delivered with the same Chief Executive and members of staff and enable the service to build on existing expertise and continue to develop. It is proposed that the priorities for the new contract will include:-

1. Undertake consultation with service users focusing on their experience of the Healthwatch Rotherham service.
2. Identify areas for improvement or development and co-produce a refreshed service specification. This would state clear outcomes with measures to track performance.
3. Undertake an Equality Impact Assessment (EIA) to ensure any changes do not have a negative impact on minority groups in Rotherham.
4. Work with partners through the Health and Wellbeing Board to improve the results from the stakeholder survey.
5. That Healthwatch Rotherham explores the longer term sustainability of the service whilst balancing their independence from local health and social care organisations.
6. That the Commissioning Team explores future collaboration across the Sheffield City Region to develop a regional Healthwatch or collaboration

between some of the 9 Local Authorities, building on the existing success of Healthwatch Rotherham and learning from others. This would be for when the current contract expired 2018/2019.

- 4.3.1 This option would realise efficiencies of £36,765 over the proposed two year period.

## **5. Consultation**

- 5.1 Healthwatch Rotherham has been consulted about the two options and the proposal to request an exemption from Standing Orders to enable a contract to be directly awarded. It has however been explained that this recommendation may not be approved and therefore a competitive tendering process may be undertaken.
- 5.2 The views of service users are regularly gathered about their experiences of health and social care services in Rotherham and this will continue into the new contract.
- 5.3 It is recognised by the Commissioning Team that whilst there is a process through the Healthwatch Rotherham website to capture the views of service users about the Healthwatch Rotherham service, this needs to improve to be more robust and should actively seek feedback from their own service users.

## **6. Timetable and Accountability for Implementing this Decision**

- 6.1 Under the Health and Social Care Act 2012, the Local Authority must commission a local Healthwatch.
- 6.2 The existing contract with Healthwatch Rotherham will end on the 31<sup>st</sup> March, 2017 and therefore a decision is required in relation to whether a new contract is awarded or an open tendering process is undertaken. If a tendering process is required, this will need to commence in September to enable a new service to be in place by the 1<sup>st</sup> April 2017.

## **7. Financial and Procurement Implications**

- 7.1 It is essential that Healthwatch Rotherham has sufficient capacity and sustainable funding to carry out their statutory activities. The current contract value for 2016/2017 is £193,500.
- 7.2 It is proposed that a further efficiency saving of 10% per annum is achieved over the term of the contract. This is in line with the 30% savings achieved across Adult Social Care Services in 2016.
- 7.3 The 10% saving would result in the contract value for 2017/18 being £174,150 and the contract value for 2018/2019 being £156,735.
- 7.4 The Healthwatch Rotherham contract is currently funded from the Local Reform and Community Voices specific grant (£154k) and revenue funding (£39.5k) within RMBC. There is a risk that the specific grant funding may not continue beyond 2016/17, in which case the majority of the funding would have to be



found from existing revenue resources in order to continue the service. Further details of the continuation of the specific grant beyond 2016/17 will be announced in the Local Government Finance Settlement later in the year.

## **8. Legal Implications**

- 8.1 As stated in Standing Order 48, all contracts valued £50,000 or above should ordinarily be commissioned. So long as the soft market testing exercise does not identify any credible alternative providers then the Director of Legal Services is content that the exemption sought is appropriate.
- 8.2 The Transfer of Undertakings (Protection of Employment) Regulations would need to be considered if the Healthwatch Rotherham service was re-commissioned through a tendering process.

## **9. Human Resources Implications**

- 9.1 There are no RMBC Human Resource Implications in relation to this proposal but the proposal will have an effect on Healthwatch Rotherham staff.

## **10. Implications for Children and Young People and Vulnerable Adults**

- 10.1 The views of children and young people and vulnerable adults will continue to be gathered and actions identified by Healthwatch Rotherham. Healthwatch Rotherham provides services to both young people and adults in Rotherham about health and social care services. Both options would enable a local Healthwatch Service to continue to be provided.

## **11. Equalities and Human Rights Implications**

- 11.1 Healthwatch Rotherham will be required to undertake an Equality Impact Assessment after the first 6 months of the new contract for 2017/2018 and this analysis will be updated on a regular basis and submitted to the Commissioning Team.

## **12. Implications for Partners and Other Directorates**

- 12.1 Healthwatch Rotherham has built a positive working relationship with the many professionals involved in Health and Social Care Services in Rotherham. Building on these relationships will continue to ensure service users receive the best health and social care service.

## **13. Risks and Mitigation**

- 13.1 That there is a challenge to the decision to directly award a contract to Healthwatch Rotherham without undertaking a comprehensive tendering process. This risk is felt to be low.
- 13.2 That at 30% reduction in the funding for Healthwatch Rotherham over the years 2016 to 2019 will have an effect on service delivering for Healthwatch Rotherham and the impact will need to be determined.

13.3 The majority of the contract (80%) is funded through the Local Reform and Community Voices Specific grant funding which may not be guaranteed beyond the current financial year 2016/17. An announcement will not be made until later in the year as part of the Local Government Finance Settlement. Alternative funding sources will have to be identified if the grant does not continue from 2017/18 onwards.

13.4 The soft market testing informs the evidence built that the market is limited in relation to suitable providers that have the experience to deliver the Service.

#### **14. Accountable Officer(s)**

Approvals Obtained from:-

Strategic Director of Finance and Corporate Services:

Named Officer: Mark Scarrott, Finance Manager

Director of Legal Services:-

Named officer: Neil Concannon, Service Manager (based on paragraph 8.1)

Head of Procurement: Helen Chambers

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