

**Committee Name and Date of Committee Meeting**

Cabinet – 16 September 2019

**Report Title**

Procurement of a Local Healthwatch Service

**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 of Adult Care, Housing and Public Health

**Report Author(s)**

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**Ward(s) Affected**

Borough-Wide

**Report Summary**

The current contract for the provision of a local Healthwatch Service is in place until 31<sup>st</sup> March 2020. The service is due to come to the end of the contractual term and the extension clause has been exercised, thus requiring a formal procurement exercise. The current contract includes the provision of the NHS Complaints Advocacy Service (NHSCAS) in addition to the Healthwatch function, both are statutory functions. A revised service specification and financial terms and conditions were agreed with an expectation that the funding would be allocated on a 65/35 split between the Healthwatch and the NHSCAS functions. This was in response to the revised budget for the Healthwatch contract agreed by Council in February 2019.

Under the Council's Contract Procedure Rules a procurement exercise is required to secure both services from April 2020. It is intended that the NHSCAS provision will be included in the procurement exercise that is proposed for the Council's Independent Advocacy Services in 2019 (for provision from April 2020). The Healthwatch function will be commissioned as a standalone service. This is in line with the majority of other Local Authority approaches and ensures that the focus of the service covers all aspects of health and social care and captures peoples' needs, concerns and experiences.

## **Recommendations**

1. That approval be given to Option 2 at Section 3.2 in the report and the commencement of a tender on the open market for the procurement of a local Healthwatch Service for the period of 3 years from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2023 (with an option to extend for a further year).

## **List of Appendices Included**

Appendix 1 ACH 6 Healthwatch contract - Updated ASR post consultation

Appendix 2 Initial Equality Screening Assessment

Appendix 3 Equality Analysis

## **Background Papers**

[Overview and Scrutiny Management Board – 13 February 2019, Appendix 1A\(ii\)](https://www.healthwatch.co.uk/)  
<https://www.healthwatch.co.uk/>

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

No

## **Council Approval Required**

No

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

No

## **Procurement of a Local Healthwatch Service**

### **1. Background**

- 1.1 The Health and Social Care Act 2012 amended the Local Government and Public Involvement in Health Act 2007 to make provision for a national Healthwatch England and for a local Healthwatch. This is a statutory service and each Local Authority is mandated to have a local Healthwatch.
- 1.2 Healthwatch Rotherham is expected to be the local consumer champion for patients, service users and the public, covering both health and social care for all ages, including children.
- 1.3 Their main statutory functions are to
  - Obtain the views of people about their needs and experience of local health and social care services and make these views known to those involved in the commissioning and scrutiny of care services.
  - Make reports and recommendations about how those services could or should be improved.
  - Promote and support the involvement of people in the monitoring, commissioning and provision of local health and social care services.
  - Provide information and advice to the public about accessing health and social care services and the options available to them.
  - Make the views and experiences of people known to Healthwatch England, helping them to carry out their role as national champion. Healthwatch England may use this evidence to advise the Care Quality Commission (CQC) to carry out special reviews or investigations into areas of concern.

### **2. Key Issues**

- 2.1 The current contracted provision for a local Healthwatch will end on 31<sup>st</sup> March 2020.
- 2.2 The service is a statutory function and the Councils own Financial and Contract Procedure Rules require that, as the value of the contract exceeds £25,000 per annum, a tender on the open market must take place to put in place a new service from April 2020.
- 2.3 The current service provides both a Healthwatch function and a NHS Complaints Advocacy Service (NHSCAS), the majority of other Local Authorities commission these services separately. A split of these two services can now be facilitated as the Council is also required to undertake a procurement exercise in 2019, to secure its Independent Advocacy Services for service from April 2020.

- 2.4 The Healthwatch Rotherham Service has historically focussed more on the NHSCAS and not the Healthwatch function. The Healthwatch Rotherham Annual Report 2018/19 demonstrates examples of the NHSCAS activity influencing changes, with less evidence of Healthwatch statutory functions influencing wider changes to health and social care services in the borough. Healthwatch Rotherham published no additional reports and carried out no *enter and view* inspections during 2018/19. Healthwatch Rotherham also have a limited role within the Rotherham Integrated Care Partnership overseeing the integration of health and social care in the borough.

The inclusion of the NHSCAS in the Council's Independent Advocacy function would secure this provision and would have limited detrimental effect on the provision of the statutory elements of a local Healthwatch Service.

- 2.5 By procuring the services separately it is expected that the Healthwatch service will be able to focus on its role as a local champion and concentrate its efforts on developing its engagement activities to really understand the issues facing the users of health and social care services to effect change and improve services in the sector for the people of Rotherham.
- 2.6 It is also expected that the new local Healthwatch service will engage with Healthwatch England in developing their new Quality Assurance Framework (QAF) and then implement the use of this QAF to measure the quality and effectiveness of the service provided. This will enable the service to operate consistently with other Healthwatch provision and for data to be analysed and for it to be benchmarked.

### 3. Options considered and recommended proposal

- 3.1 **Option 1. Procure a joint local Healthwatch and NHSCAS i.e tender based on the existing arrangements.** This option would mean that the service would provide both the Healthwatch and NHSCAS functions; however this is contrary to common practice in the majority of other Local Authorities and can cause a tension as to how best to allocate resources to discharge both statutory functions.
- 3.2 **Option 2. Procure a local Healthwatch Service from an organisation experienced in engaging with the local community and influencing change.**

This will ensure that people have:

- the support they need to access service
- knowledge of local health and social care services available to them and how they are rated by the Regulator
- the ability to take greater control of their own health, care and wellbeing.
- local providers of Health and Social Care Services are provided with significant opportunities to better meet people's needs and expectations.

**3.3 It is recommended that Option 2 be agreed.**

3.4 A local Healthwatch service be procured from an organisation that has experience in engaging with the local community and influencing change, with a commitment to implement the Healthwatch England Quality Assurance Framework and ensure the best quality Healthwatch service for the residents of Rotherham.

3.5 An open tender process via the Council's e-procurement system will take place and applicants will be assessed on their ability to provide the best quality service within the financial envelope.

3.6 Applicants will be questioned on their track record and their ability to:

- engage with all people, including those with disabilities or disadvantage
- collect and analyse data and use this to effect change
- utilise and manage volunteers to expand the service's reach
- engage local citizens in the work of the service
- train and manage staff
- understand local Safeguarding Procedures and how they will safeguard those people they comes into contact with

**4. Consultation on proposal**

4.1 As set out above the local authority is required by law to procure a Healthwatch service and to have it in place by 1<sup>st</sup> April 2020. There is no requirement for the council to consult on the proposed procurement exercise.

**5. Timetable and Accountability for Implementing this Decision**

5.1 If agreed, the tender will be published late September 2019 and will be awarded in December 2019 to allow any transition to a new organisation to take place by 1<sup>st</sup> April 2020.

**6. Financial and Procurement Advice and Implications**

6.1 The Healthwatch service is funded within the Adult Social Care revenue budget through the Local Reform and Community Voices grant. The current cost of the service in 2019/20 is £137,000, this includes the provision of the Healthwatch (£90,000) and NHSCAS service (£47,000).

6.2 The annual budget for the Healthwatch service will be £90,000 from 1<sup>st</sup> April 2020.

6.3 Given the value of this service exceeds £25,000 the procurement will be advertised on the open market via Contracts Finder and YORtender in line with the Councils own Financial and Contract Procedure Rules. The Corporate Procurement Team will work with Strategic Commissioning, to develop the tender documentation for this statutory function in order to secure the new service provision from April 2020.

## **7. Legal Advice and Implications**

- 7.1 Pursuant to the Health and Social Care Act 2012 the local authority is required to ensure that a local Healthwatch service is in place for its area. The budget for this service for the 3 year period (April 2020 to March 2023), is £270,000 therefore CPR 53 requires the council to undertake a procurement exercise. If agreed, as set out above, this will commence late September 2019. It is important that the service is appropriately procured and in place to commence service once the existing service comes to an end in March 2020.

## **8. Human Resources Advice and Implications**

- 8.1 There are no implications for the Council. The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), may apply from the existing provider to the new provider should they not be successful. The Council would not be directly involved in this process but would ensure that the TUPE information is available at the point of publishing the tender opportunity.

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

- 9.1 The service is available to all ages and although procured by Adult Care, Housing and Public Health will support Children and Young People's Services by engaging the local community and influencing change in relation to services accessed by children and young people.

## **10. Equalities and Human Rights Advice and Implications**

- 10.1 The service is available all Rotherham residents. The requirements of the service specification ensure that the service monitors and evidences how it has reached and is available to all groups particularly those that are underrepresented and hard to reach. This is evidenced in the attached Equality Analysis.

## **11. Implications for Partners**

- 11.1 NHS partners and Independent Sector partners will benefit from the work of a Healthwatch Service proactively working with them to improve services.

## **12. Risks and Mitigation**

- 12.1. The level of budget may affect the ability of a provider to provide the required level of service to meet the outcomes required in the Service Specification and the Healthwatch England Quality Assurance Framework. Any changes to the Local Reform and Community Voices Grant funding may impact on the future funding of the service.
- 12.2 Although the available budget places Rotherham in the bottom quartile for Healthwatch funding when benchmarked against other local authorities, it was set following information on expected spend supplied by Healthwatch England and the results of the public consultation on the Council's budget proposals agreed by Council in February 2019.

12.3 The Council has a number of family authorities that are used for comparison purposes by the Chartered Institute of Public Finance and Accountancy (CIPFA). The following three authorities operate under a similar budget to one proposed for Rotherham.

#### CIPFA Comparator Authorities Healthwatch Funding 2018/19

(Source: Healthwatch England's State of Support Briefing – Funding for Local Healthwatch 2018/19)

LA	2018/19 Funding per Annum £
Halton	121,715*
Rotherham	101,878**
Telford and Wrekin	100,000*
Calderdale	78,000*

\*Does not include provision of an NHSCAS

\*\*Based on 65/35 split of budget to Healthwatch and NHSCAS

Annual Reports published by Halton, and Telford and Wrekin Healthwatch Services indicate active services that engage with the community, produce reports and recommendations and demonstrate change as a result utilise volunteers in both community engagement and enter and view activity.

#### Example Activity Halton:

- 1975 people accessed information, help and support either online, face to face, or by telephone or email
- Volunteers contributed over 600 hours of time, attending meetings, visiting services and helping with community events and outreach
- Visited 12 services and 141 community events to understand people's experience of care
- More than 50 suggestions for improvement to services. 31 improvements were adopted.
- Across information service, events, project work, surveys and visits to services, we engaged with 6885 people.

#### Example Activity Telford and Wrekin

- 23 Volunteers provided 1746 hours of service
- Attended 94 community events, visiting over 40 services to understand people's experience of care. Made 152 recommendations for improvement
- 23 improvements suggested were adopted by services to make health and care better in our community.
- Enter and View – hospital ward

Healthwatch Calderdale have yet to publish their 2018/19 report.

- 12.4 The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) may apply which may affect an organisation's ability to put forward a financially viable application to provide the service. Without any effective engagement with interested parties, then the tender may fail due to insufficient interest.
- 12.5 In order to mitigate the risk of a lack of interested bids TUPE information will also be sought to clarify the position. An event will also be held with the market to stimulate interest in the opportunity prior to the tender being published. This approach, known as 'soft market testing' will let potential providers know about the Rotherham context, requirements and expectations to help encourage credible bids.

**13. Accountable Officers**

Nathan Atkinson, Assist Director, Strategic Commissioning

Approvals obtained on behalf of Statutory Officers:-

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Sharon Kemp	02/09/19
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	21/08/19
Head of Legal Services (Monitoring Officer)	Bal Nahal	27/08/19

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