

Decision Maker: Care Services Policy Development and Scrutiny Committee
for Pre-Scrutiny
Care Services Portfolio Holder for Decision

Date: 21st January 2015

Decision Type: Non-Urgent Non-Executive Non-Key

Title: HEALTHWATCH BROMLEY - AWARD OF CONTRACT

Contact Officer: Wendy Norman, Strategic Manager, Procurement and Contract Compliance
Tel: 020 8313 4212 E-mail: wendy.norman@bromley.gov.uk

Chief Officer: Terry Parkin, Executive Director of Education, Care and Health Services
Tel: 020 313 4030 E-mail: wendy.norman@bromley.gov.uk

Ward: Boroughwide

1. Reason for report

1.1 The Council was given a statutory duty to fund the Healthwatch function through the Health and Social Care Act 2012. Community Links Bromley was awarded a contract to deliver this function in 2013. Healthwatch Bromley is now operating independently of Community Links Bromley. This report considers future delivery options for this service and recommends awarding a 3 year contract to Healthwatch Bromley from 2015/16

2. **RECOMMENDATION(S)**

The Portfolio Holder is asked to agree

2.1 **a waiver under Contract Procurement Rules 3.2(ii) and 13.1 to award a 3 year contract to Healthwatch Bromley from 1.4.2015 to 31.3.2018. The contract value will reduce over the life of the contract as set out below:**

2015/16	£140,650
2016/17	£113,150
2017/18	£ 85,650
Total	£339,450

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Excellent Council.
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Financial

1. Cost of proposal: Estimated cost £140,650 in 2015/16
 2. Ongoing costs: Recurring cost. Total contract value over 3 years £339,450 - reducing on an annual basis as set out in 2.1
 3. Budget head/performance centre: 813 3817 Commissioning
 4. Total current budget for this head: £145,000
 5. Source of funding: Local Reform and Community Voices Grant (part) and Revenue Support Grant
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Staff

1. Number of staff (current and additional): n/a
 2. If from existing staff resources, number of staff hours: .5FTE monitoring officer - 35 hours pa.
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Legal

1. Legal Requirement: Statutory requirement. Health and Social Care Act 2012
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 300,000+ Any user of Health or Social Care Services in Bromley.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 Under the Health and Social Act 2012 the Government created a statutory duty for Local Authorities to provide a Healthwatch function. Healthwatch Bromley provides a comprehensive public and patient engagement mechanism for Health and Social Services. Healthwatch provides citizens and communities with the opportunity to influence and challenge how health and social care services are provided within Bromley through a role on the Health and Wellbeing Board and formal networking and integration with existing governing health/social care bodies and community organisations.
- 3.2 Healthwatch Bromley provides evidence based intelligence concerning people's views and experiences with care and social services which influence the policy, planning, commissioning and delivery of publicly funded health and social care. The service also signposts the Bromley population to information with which they can make more informed choices about their healthcare and social care services. Healthwatch Bromley has established itself with commissioners and providers as a credible organisation that is able to actively ensure that patient voice and opinion is heard.
- 3.3 Community Links Bromley was awarded a contract to set up Healthwatch Bromley following a competitive procurement exercise. The contract was awarded from 1.4.13 for 1 year plus the option for a 1 year extension. The option to extend was exercised for 1.4.14 – 31.3.15. The contract value was £145,000.
- 3.4 Initially Healthwatch Bromley was set up as a project within Community Links, however the contract required Community Links to facilitate the development of Healthwatch Bromley into an independent organisation in accordance with statutory guidance. The authorisation to extend the contract for 2014-15 included agreement that the contract would transfer (be novated) from Community Links Bromley to Healthwatch Bromley during the extension period.
- 3.5 Officers are currently processing the novation of the contract to Healthwatch Bromley which has been incorporated as a charity and company limited by guarantee. The separation from Community Links potentially enables Healthwatch Bromley to secure the future of the organisation by accessing funding from additional funding streams while also recognising the Charity Commission's stance that statutory functions must be funded by statutory provision, rather than from the charitable purse.
- 3.6 Healthwatch funding originally came from 2 sources. The bulk of the funding (£90k) was the amount the Council made available to Bromley Link, the organisation which preceded Healthwatch Bromley. This sum was included within the Revenue Support Grant (RSG) and is no longer separately identified within overall RSG funding. The remainder comes from the Local Reform and Community Voices Grant (£55k) and was included to fund the new responsibility of signposting and information giving assigned to all Healthwatches. In 2015/16 this grant will cease and funding for Healthwatch will be transferred to a new Department of Health Revenue Grant. Although not yet finalised, provisional allocations indicate that funding will remain at 2014/15 levels and that the new Revenue Grant will not be ring-fenced. There remains a statutory obligation to provide this service.
- 3.7 The strategic objective of Healthwatch Bromley is to contribute to improvements in the quality of health and social care in the borough. The methods by which the organisation will achieve this are set out below:

- To enable people to share their views and concerns about their local health and social care services (from birth to death) and to help them to understand that their contribution will help build a picture of where services are doing well and where they can be improved.
- By using the Chair's seat on the Health and Wellbeing boards, to ensure 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 the Clinical Commissioning Groups.
- To recommend investigation or special review of provider services, either via Local Healthwatch England, or directly to the Care Quality Commission (CQC)
- To provide people with information about choices available and what to do when things go wrong.
- To signpost people who need help in making complaints about the NHS to a professional Independent Advocacy Service
- To signpost all service users to information about health and care services and how to access them.
- To give authoritative, evidence based feedback to organisations responsible for commissioning or delivering local Health and Social Care services.
- Through its annual report, making the views and experiences of people known to Local Healthwatch England and providing a steer to help it carry out its role as national champion on behalf of the Secretary of State and of Parliament

Performance

- 3.8 Council Commissioners meet quarterly with Healthwatch Bromley in order to monitor progress against the contract. The organisation has progressed well and has built up a positive reputation within the borough. Quarterly reports are submitted to Commissioners giving a detailed breakdown of activities undertaken. The Annual Report set out the objectives and was able to report on information gathered from the public and changes that had been instigated as a result of Healthwatch Bromley highlighting problems.
- 3.9 Board Members of Healthwatch Bromley represent the organisation at key meetings, such as the Health and Wellbeing Board, Care Services PDS, Bromley Clinical Commissioning Group and the Kings College Hospital NHS Foundation Trust which runs the Princess Royal University Hospital. Officers contacted the senior officers of these meetings or organisations in order to gather their views on the effectiveness of Healthwatch Bromley in gathering information and contributing to the meetings.
- 3.10 Positive feedback has been received from
- Director of Public Health in respect of Healthwatch Bromley's positive contribution to the Joint Strategic Needs Assessment.
 - Portfolio Holder for Care Services, particularly noting that that Healthwatch Bromley has built up a positive organisation which actively promotes its role widely across the borough.
 - Executive Director of Education, Care and Health Services, noting that Healthwatch Bromley has played and is playing a significant part in the development of integrated commissioning across SE London to the benefit of Bromley residents.
 - Chair of Health and Wellbeing Board

- Head of Corporate Affairs, NHS Bromley Clinical Commissioning Group,
 - Healthwatch England, commended Healthwatch Bromley for good practice in ensuring that the organisation works with young people as well as adults.
 - Head of Engagement and Patient Experience, King's College Hospital NHS Foundation Trust
- 3.11 One of Healthwatch's key roles is to undertake Enter and View visits of any establishments which are commissioned using public funds to deliver health and social care, including care homes, hospitals, GP surgeries, dental surgeries, pharmacies and optician's practices. A team of volunteers has been trained to undertake these visits and during 2014 has already visited several care homes in Bromley. Joint teams of volunteers from the South East London boroughs undertook enter and view visits of Emergency Departments and Maternity Services in several hospitals. All these visits were planned in response to concerns raised by service users. To date the establishments have responded positively to the recommendations arising from enter and view visits.

OPTIONS

- 3.12 As the contract comes to an end on 31.3.15 it is appropriate to consider a range of options for the future of Healthwatch Bromley. The Council has a statutory duty to provide a Healthwatch service in Bromley, but In the current financial climate it is prudent to consider whether it is necessary to fund the full range of activities at the current level.
- 3.13 Discussions with officers from Healthwatch Bromley have indicated that the organisation would not be able to achieve its plans to consolidate and develop if its funding was reduced. If this is unavoidable it could probably absorb a reduction in funding of up to 3% and continue to deliver the current level of core activity. This would deliver a saving of £4,350.
- 3.14 As the organisation is formally separating from Community Links it will be investigating whether best value is achieved by sharing accommodation and all other back office costs, or by moving out of Community House altogether.
- 3.15 Salaries for the 3 FTE staff account for the 67% of the budget. If the staffing level is reduced it will compromise the range of the organisation's activities, particularly in the engagement of hard to reach groups where the officers are particularly skilled. It will also compromise the organisation's ability to pursue other funding streams.
- 3.16 Council Officers have identified that the Healthwatch activity which may be duplicated in other areas is the signposting and information function. The Care Act 2014 has introduced more responsibilities for the Council in this area. It would be appropriate for a review of how this Healthwatch activity fits with the Council's plans and to streamline the effort, thus potentially releasing further savings in future years.
- 3.17 In recent discussions with other local authorities it emerged that although all Healthwatch contracts are ending in March 2015 only one of nineteen authorities was re-commissioning via a procurement process. The initial tendering process in 2012 revealed that there is a very limited number of alternative providers who may bid for a contract. The Council only received 2 bids in response to the original procurement exercise for this service, therefore Officers do not consider that there would be any financial or qualitative benefit to the Council to go to the market at this point.
- 3.18 Officers propose that the Council enters into a new 3 year contract with Healthwatch Bromley in which the value tapers after year 1, to recognise efficiencies to be made in the signposting function and the additional funding from undertaking independent projects that Healthwatch

Bromley can attract now that they are an independent organisation. Based on the current contract value without any inflation added the contract sums would be:

2015/16	£140,650	current value less 3%
2016/17	£113,150	current value less 50% signposting funding
2017/18	£ 85,650	Current value less 100% signposting funding.

3.19 The Healthwatch Board and Health and Social Care stakeholders alongside contract compliance officers will ensure that Healthwatch is enabled to focus on key core activities that deliver real outcomes for residents of Bromley. Future budget proposals will have an impact on the people of Bromley most in need of health and social care services. Healthwatch Bromley has an important role in ensuring the voices of local people are heard throughout the commissioning and decommissioning of services, and in ensuring the public are sign-posted to appropriate services, especially in times of major change to service provision.

4 POLICY IMPLICATIONS

4.1 Provision of a local Healthwatch function is a requirement introduced by the Health and Social Care Act 2012.

5 FINANCIAL IMPLICATIONS

5.1 Funding for Healthwatch provided through Revenue Support Grant is contained within the Council's overall grant settlement and is no longer separately identified nor ring-fenced. Further funding of £55k was included within the Local Reform and Community Voices Grant which will cease in 2015/16 and be replaced by a new Department of Health Revenue Grant. Provisional allocations indicate that the grant will not be ring-fenced and will remain at the same level as 2014/15 although this is yet to be finalised. The report identifies the statutory nature of the service although it is recognised that it is important to consider whether it is necessary to fund the full range of activities at the current level. The report proposes a reduction in the contract sum over a three year period.

6 LEGAL IMPLICATIONS

6.1 There is a Statutory obligation to provide this service. These proposals will satisfy that statutory duty.

6.2 Clauses 3.2.(ii) and 13.1 of the Contract Procedure Rules set out the allow for an exemption to tendering. "Chief Officer in agreement with Corporate Director of Resources and Finance Director and following Approval of the relevant Portfolio Holder, with a report of the use made of this exemption being made to Audit Sub committee on a bi-annual basis." This appears to be justification for this request.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	CS12063 Award of Contract – Healthwatch Bromley ACS11063 Arrangements for developing Healthwatch in Bromley. CS12027 Development of Bromley Healthwatch and NHS Independent Complaints Advocacy Service. Healthwatch Bromley Annual Report 2013-14