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To: Policy and Resources Cabinet Committee – 11th July 2012

Subject: Establishing Kent Local Healthwatch

Classification: Unrestricted

Summary

This paper outlines the progress to date on the programme of work being undertaken to ensure the successful establishment of Kent Local Healthwatch (LHW) by April 2013. It sets out the strategic approach to developing the model and outlines the key stages in ensuring successful delivery of the new requirements.

Earlier iterations of the proposed approach were submitted to the Corporate Board Meeting on 16th April 2012 and the Cabinet Members Meeting on14th May 2012 and suggested changes made accordingly.

The Policy and Resources Committee is asked to note the work currently underway and agree the proposed way forward.

It is proposed that the final proposal be submitted to the Policy and Resources Cabinet Committee in September for formal decision.

Introduction

The Health and Social Care Act 2012 is part of the Government's vision to modernise the NHS so that it is built around patients, led by clinicians and focused on delivering world-class health care outcomes. The vision is for health and social care to be focused on and give more voice to users of services and one of the main ways of strengthening the user's voice is the creation of a new consumer champion – Healthwatch.

Local Involvement Networks (LINks), which currently represent the public voice on health and social care services, are to be abolished end of March 2013. They will formally be replaced by Local Healthwatch (LHW) Organisations which will also take on additional responsibilities including signposting to services, possibly providing advocacy support and participating in decision-making via membership on the Health and Wellbeing Board.

Local authorities will have flexibility and choice over the organisational form for local Healthwatch so they can determine the most appropriate way to meet the needs of their communities.

The key requirements are that LHW organisations must be:

- corporate bodies carrying out statutory functions
- not-for-profit organisations
- able to employ staff and (if they choose) be able to sub-contract statutory functions.

LHW will be able to raise concerns about the quality of services with local CQC staff and will be able to request special reviews via Healthwatch England (HWE). HWE will be a statutory committee of the Care Quality Commission (CQC), with a Chair who will be a non-executive director of CQC. HWE will have its own identity within CQC, but will be supported by CQC's infrastructure and will have access to CQC's expertise. HWE will be able to escalate concerns about health and social care services raised by local HealthWatch to CQC.

Kent LHW will be commissioned by and accountable to but operate independently to Kent County Council. The role of KCC is therefore complex as it will:

- fund and hold Kent LHW to account for its efficiency and effectiveness, in conjunction with Healthwatch England, where necessary
- have increasingly important influence on the health and wellbeing of its population
- continue to commission and provide services about which Kent LHW may wish to comment/challenge

Financial Implications

The government currently allocates £27 million each year to local authorities for LINks, through the local government Formula Grant. For this financial year in Kent this amounts to £440,000 being paid to KMN, the host organisation, for the work of Kent LINk.

In 2012/13 an additional £3.2 million will be made available to support start-up costs for local Healthwatch (through the DH Learning Disability and NHS Reform Grant).[1]

In 2013/14, the current £27 million funding for LINks will become funding for local Healthwatch organisations, each year – however, unlike the current situation with LINks, the money will no longer be ring-fenced. Additional funding will be made available to local authorities from 2013/14 to support both the information function that local Healthwatch will have and also for commissioning NHS complaints advocacy.

[1]Local Healthwatch: A strong voice for people – *the policy explained,* Department of Health, March 2012

Information about funding allocations will be made available in the routine notifications to local authorities later this year.

Developing Kent Local Healthwatch

1. Developing supplier side and potential delivery models of future LHW services

Kent County Council is committed to developing a LHW model that will ensure it provides an effective and credible voice for Kent citizens, as evidenced in the detailed work carried out by KCC and the Centre for Public Scrutiny in 2011, which began to draw out the characteristics and operating model for the future Kent LHW.

This work has continued in 2012 with a programme of work conducted with local third sector organisations, to ensure continued engagement in the discussion and development of the model.

Developing the model with third sector organisations

Mutual Ventures - a social enterprise founded specifically to support the delivery of public services by independent socially focused organisations – were commissioned in February 2012 to work with KCC and voluntary organisations in progressing the previous development work, as outlined below.

1. An initial event was held on 30th March, attended by 35 people from a range of third sector organisations, LINk members and the LINk host organisation, to explore the role and functions of a LHW and discuss possible delivery models.

   Key themes from the event were:

   - Any single organisation is unlikely to be able to deliver the entire remit due to breadth of service, customer and geographical remit. The organisations were keen to look at ways in which they could collaborate to overcome these challenges
   - There was a strong feeling that Healthwatch should utilise existing capability and not reinvent the wheel, whilst ensuring a diverse range of interests, geographies and communities were included
   - There was broad support for a form of coordinating body to both channel collective efforts and to meet the 'corporate body' requirement. The body should be representative.

2. All participants were then invited to complete an online questionnaire exploring individual organisations' interest in contributing to/delivering the services – ten organisations completed the survey.

   Key themes from the survey:

- All respondents were keen to be included in the Local Heathwatch delivery chain, although it is becoming apparent that no one organisation will have the capability or capacity to deliver all the requirements
- There is a willingness to collaborate with other organisations
- Any delivery requirements will need to be properly resourced
- A small number of organisations are emerging as possible lead organisations

3. In-depth interviews were conducted with a smaller number of potential key providers/leads based on the event and survey feedback. Meetings were also held with Kent County Council key leads to discuss the emerging themes from the above and consider potential options.

4. Survey respondents and interviewed groups were invited to a second event, held on 11th May, to share the feedback from the survey and interviews, share and discuss the emerging delivery model and agree next steps in developing the model.

   The key areas that emerged from the above programme of work were:

   Operating model

   From the work conducted so far the emerging preferred delivery model is a newindependent central organisation that is not controlled directly by a limited groupof delivery partners but which acts as an independent co-ordinating body whichcommissions local providers. One or more existing organisations couldestablish this new organisation, providing the governance requirements are met.

   Governance structure

   The emerging preferred option is a one tier governance structure with the organisation controlled by a representative and independently appointed Board of Directors. The Board would work with a number of advisory/stakeholder groups to ensure the views of the broader community are heard.

   Legal form

   The current preferred legal form and the most appropriate for the currently preferred governance structure is a Community Interest Company

As a result of this work four voluntary organisations, who had been part of the above process, expressed their particular commitment to forming a group to take forward the next stage of development, as already successful and established organisations with a wealth of insight and experience of working with both people and organisations across the county.

KCC then withdrew from the development work to focus on the procurement process.

The four Kent based organisations - Voluntary Action westKent, Kent and Medway Networks Ltd (Kent LINk host organisation), Kent And Medway Citizens Advice and Activmob - met and agreed to work together to co-design a potential model.

It was not intended for this group to be exclusive - other organisations could become involved, if they considered it appropriate. Voluntary organisations involved in the process were asked to share the information with other groupsand information was put on KCC website inviting others to take part.

The group furtherconsidered and developed the three areas above – the operating model, governance structure and legal form - and how these could operate at a practical level in Kent.

The Development Group submitted its report at the beginning of July outlining its recommended strategic direction. It should be noted, however, that whilst there was much agreement in the ideas outlined within the paper there was also some divergence of views which will need to be taken into account in the next stage of creating the strategic direction.

Feedback from the group included that the majority of potential partners involved in the consultation welcome KCC's role in supporting the market in coming together and would want to see the Council bring people together in a logical and tidy arrangement.

Some issues the group highlighted:

- There was concern expressed that there will be opportunity for open dialogue and negotiation about the service and how it should be developed.

- There will need to be an orderly transition from LINk to HealthWatch, passing on what has been learned and not wasting the investment in volunteers, training and technical expertise.

- The wish that the Council should not define the model so tightly that there is no room for development, innovation and flexibility.

- Concern about contract length - Local Healthwatch would need to be a longer term commitment in order to allow the service to bed in and deliver. "Not here today, gone tomorrow."

Conclusions from the group:

Operating model

The conclusions from the development work to date suggest that a new independent co-ordinating organisation is the current preferred delivery model option by many. This may be most likely to ensure an inclusive

approach, bringing together a wide diversity of delivery partners who will be well placed to deliver the full range of Healthwatch services, capitalising on the goodwill and significant expertise and experience in the market, particularly in terms of providing information and advice. However one group's view remains that the best option would be for KCC to contract with an umbrella organisation that would either deliver some of the functions itself or commission other providers to do this.

Governance structure

The group supported the consultation feedback to date that suggested that a one-tier governance structure with the organisation "owned" and controlled by an independently appointed Board of Directors would be the preferred model for the LHW, with a number of advisory or stakeholder groups (perhaps enshrined in the Company's Articles of Association) to ensure the views of the broader community could adequately influence the running of the new organisation.

The Board would be held accountable through its contract with the local authority (but independent to it); by the advisory stakeholder groups; to the public through its work; and to any other regulatory body.

Legal form

The group endorsed the consultation feedback so far - and experience from elsewhere - that a Community Interest Company may be the most most straightforward and appropriate form for the LHW to take with regard to the preferred governance structure. This is compared to an Industrial and Provident Society, for example, which could pose more significant challenges in terms of identifying a clear target membership group and the practical challenges of maintaining the active involvement of members. However one organisation's view is that, whilst this organisation would need to be a social enterprise, it would not need to be a new Community Interest Company and there may be benefits to an existing organization holding the contract.

The Development Group will be holding a small number of workshops in July to test the recommended strategic direction with other voluntary organisations across Kent, toincrease involvement, test recommendations more widely and further capture insights and experience in order toshape the potential model.

All development work is being published on the KCC website – and the Shadow Healthwatch website once established – and will be freely accessible to Kent citizens and to all partners who might be interested in contributing to or tendering for the service(s).

Establishing an interim Shadow Local Healthwatch

Alongside the co-production and development of the future model it was agreed that Kent County Council would set up and recruit to an interim Shadow LHW

Board from September 2012 to run for 6-8 months - until the formal LHW organisation establishes its own governance structure - to test and begin to embed the emerging model, for effective handover to the formal LHW, as it becomes established in April 2013.

The interim Shadow LHW Board will work closely with LINk during the transition period to build on the LINk legacy and begin to create the developing model in practice, to ensure that the new requirements of a Local Healthwatch can be successfully met in Kent. It will also work with LINk to ensure that the commitment of existing LINk volunteers is sustained and that their contribution is shown to be highly valued.

Its key functions therefore will be to:

- manage in and develop both the future organisation and the relationship with KCC
- prepare for and manage the transition from Kent LINk
- start to develop the operating procedures and practices that will be used by the formal LHW from April 2013
- start to model the desired approach to LHW that will best meet the interests of the Kent population, to have a positive impact on local health and social care services

The interim Shadow LHW Board will be a member-led organisation, comprising up to 12 core members, with a larger number of associate members who can be called upon to assist with agreed projects.The Chairman of Kent LINk Governors Group will ex officio become a member of the Shadow Board, as transition from LINk is a key function.

The recruitment pack and application forms were distributed and published on KCC website at the end of June 2012. Applications are invited from existing LINk members, voluntary organisations, community sector and people using or potentially in need of health and/or social care services in Kent. Shortlisting and recruitment will take place at the end of July, with the inaugural meeting of the Board planned to take place early September.

Procurement

Discussions are underway with the procurement team to ensure all relevant procurement issues are addressed so that the LHW Organisation can be appointed by April 2013.

The initial draft specification is currently being written – bearing in mind that national guidance is still being developed - with the intention of advertising in October.

Key milestones

The following table shows the key milestones that will need to be met to ensure the successful establishment of the formal Local Healthwatch Organisation (LHWO) in March 2013.

July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr 13
Decision-making process									
P&RCC for agreement re strategic direction Commissioning & Procurement Board		CMM for update SOB for information P&RCC for formal decision							
Key activities									
Appoint to interim shadow LHW		Inaugural meeting of interim Shadow LHW							
Procurement specification developed	Procurement process begins					Award			Kent LHW established
Key Department of Health Dates									
Draft regulations due		Secondary legislation	HW England		Actual budget known				

Recommendations

The Policy and Resources Cabinet Committee is asked to:

- Note the work currently underway and agree the proposed strategic direction
- Note and agree the proposal the final strategic approach be submitted to the Policy and Resources Cabinet Committee in September for formal decision

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