

**By:** Roger Gough, Cabinet Member for Business Strategy, Performance & Health Reform

**To:** Policy and Resources Cabinet Committee – 27<sup>th</sup> September 2012

**Subject:** Establishing Local Healthwatch in Kent

**Classification:** Unrestricted

### **Summary**

This paper outlines the progress on the programme of work being undertaken to ensure the successful establishment of Local Healthwatch (LHW) in Kent 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.

The proposed approach has been submitted to, and further developed from the feedback from the Corporate Board Meeting (16<sup>th</sup> April 2012), the Cabinet Members Meeting (14<sup>th</sup> May 2012), the Policy and Resources Committee (11<sup>th</sup> July 2012) and the Corporate Board Meeting (3<sup>rd</sup> September 2012).

This paper outlines the current position regarding the development of the local Healthwatch – taking into account previous feedback - and the move towards procurement.

The Policy and Resources Cabinet Committee is asked to note the content of the report and endorse the next steps as outlined, in order to move to procurement.

### **1. Introduction**

The future vision for health and social care, as outlined in the Health and Social Care Act 2012, is to modernise the NHS so that it is clinically led and built around and focused on users of services. One of the main ways of strengthening the user's voice is the creation of a new consumer champion – Healthwatch.

Local Involvement Networks (LINKs) will be formally replaced by Local Healthwatch (LHW) Organisations in 2013. LHW 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.

Localism is critical and each local authority is responsible for commissioning a LHW Organisation that most successfully meets local requirements. They therefore have flexibility and choice over the organisational form for local

Healthwatch, to 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), which will be a statutory committee of the Care Quality Commission (CQC). 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

## **2. Financial Implications**

Costs to set up Kent LHW have been provided through two Department of Health grants - £78k designated as start-up costs and a pathfinder grant of £5k. £90k was also taken back into KCC from the LINK under-spend of 2011-12

The Department of Health has issued indicative budgets to fund LHW functions from 2013. Further clarification will be provided in November/December 2012 with final allocations to be made known in January/February 2013.

The current figures given for Kent County Council are:

Funding for the citizen engagement/consumer champion role (currently provided to fund the Kent LINK) will remain the same at £490k

Funding for the Information and Signposting function - £288k  
(This figure has recently reduced from £540k)

Funding for the NHS Advocacy function - £357k  
(NHS Complaints advocacy is a new statutory responsibility for the Council although it does not have to be provided through Local Healthwatch.)

Total figure including NHS Complaints Advocacy - £1.135m

Total figure excluding NHS Complaints Advocacy - £778k

KCC, as they do now, can retain part of this grant to fund contract and performance management functions within the Council.

LHW funding, as with current LINK funding, will not be ring fenced.

### **3. Developing Kent Local Healthwatch**

#### **3.1. Developing supplier side and potential delivery models of future LHW services**

##### **3.1.1. Building on previous work**

Kent County Council has demonstrated its commitment to developing a LHW model that reflects the needs of its local communities through the ongoing development work with Kent citizens and stakeholders.

This started in 2011 when detailed engagement was conducted by KCC and the Centre for Public Scrutiny which began to draw out the characteristics and operating model for the future Kent LHW. The full report is published on KCC website.

##### **3.1.2. Ongoing dialogue and co-design**

This work was built on 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.

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.

An initial event was held on 30<sup>th</sup> 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.

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

In-depth interviews were then 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.

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

As a result of this work four voluntary organisations with a wealth of insight and experience of working with people and organisations across the county - Voluntary Action Within Kent, Kent and Medway Networks Ltd (Kent LINK host organisation), Kent And Medway Citizens Advice and Activmob - expressed their particular commitment to forming a group to take forward the next stage of development. At this stage KCC withdrew from the development work to focus on the procurement process.

Voluntary organisations involved in the process were asked to share the information with other groups so that they could also be involved if they wished and information was put on KCC website inviting others to take part.

The group further considered and developed the three areas and how these could operate at a practical level in Kent and submitted its report to KCC at the beginning of July. 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 – the full Report is on KCC website.

Conclusions from the group:

#### Operating model

The development work to date suggests 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 which 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.

Three workshops were held in July to test the recommended strategic direction with other voluntary organisations across Kent and capture any further insights and experience in order to shape the potential model. A wide range of diverse organisations attended the event and, throughout the process, voluntary organisations – large and small – have expressed their wish to be involved and be part of the 'network of networks'.

All development work is available on the KCC website, so that Kent citizens and partners who might be interested in contributing to or tendering for the service(s) can understand how the work has been developed and co-designed.

### 3.1.3. Supplier side development

Local authorities can decide how to use the start-up costs received this year and one option is to undertake supply side activity encouraging organisations to prepare to bid:

KCC is keen to support this and has made available up to £1000 per organisation requesting support to prepare their bid for the contract. A request from more than one organisation wishing to work together is reflected in the amount allocated. Three requests for this support have been successful.

## **4. Establishing an interim Shadow Local Healthwatch**

KCC is setting up 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 recruitment pack and application forms to be considered for membership to the Shadow Board – which will be a member-led organisation - were made available at the end of June 2012 and shortlisting took place in August. The Chairman of Kent LINK Governors Group is ex officio a member of the Shadow Board, as transition from LINK is a key function. 14 further applicants have been invited to become a member, subject to references and CRB checks, and the inaugural meeting is being held on the 26<sup>th</sup> September. This will be an induction/task-focused meeting, facilitated by the national Healthwatch Implementation Lead, to agree the Board's key deliverables, its way of working and structure.

Applicants who were unsuccessful have been invited to become associate members, alongside others who expressly requested to be associate rather than full members.

## **5. Building and maintaining key supporting relationships**

As outlined in 3.1.2., voluntary organisations who have attended LHW meetings have expressed their wish to be involved and be part of the 'network of networks' and some have asked whether there will be more local events. It is proposed therefore that further events be offered in the next 6 months so that the 'network of networks' becomes increasingly robust, in readiness for LHW in April 2013.

Volunteers play a critical and valuable role, underpinning the work conducted by LINK, and KCC is keen to ensure that they are supported and encouraged to continue their commitment by becoming a part of LHW. An event is taking place on 11<sup>th</sup> September, independently facilitated, in order to create a space for LINK volunteers to share their experience and expertise of being involved in Kent LINK, to celebrate their contributions and discuss how they would like to work with LHW in the future.

It is also proposed that events are organised over the next six months for potential volunteers to hear about the proposals for LHW and sign up to be a part of the new organisation, so building up the pool of available volunteers.

## **6. Accountability**

The set up of LHW is part of the NHS Reforms and so is currently part of Roger Gough's portfolio with senior officer management through Meradin Peachey.

As with the current Kent LINK, LHW will have a strong citizen engagement function. A fundamental difference in arrangements is that KCC will contract and performance manage Kent LHW. Through these new arrangements (and through careful evaluation of organisations that bid to deliver Local Healthwatch

functions) there is an expectation that LHW citizen engagement functions will complement those of KCC and the Local NHS.

A decision has now been reached with Mike Hill and Amanda Honey that once LHW has been set up and operating effectively, accountability will be passed to Customer and Communities.

## 7. Procurement

Plans for the commissioning of LHW are being developed with the Procurement Team to ensure a LHW Organisation is appointed by 1<sup>st</sup> April 2013.

Timescales for this process are:

23 <sup>rd</sup> August	1 <sup>st</sup> draft presented to the Cabinet Member Roger Gough
29 <sup>th</sup> August	2 <sup>nd</sup> Draft agreed by Cabinet Member Roger Gough
6 <sup>th</sup> September	Quality Assurance of Draft Specification by the LGA Healthwatch Implementation team
13 <sup>th</sup> September	Health and Social Care Partnership Specification Masterclass, to share best practice
27 <sup>th</sup> September	Policy and Resources Committee
15 <sup>th</sup> October	Commissioning and Procurement Board
16 <sup>th</sup> October	Invitation to Tender issued
Nov/Dec	Evaluation and award
Jan – March	Induction of successful organisation

As outlined above, the Invitation to Tender Specification is currently being written and tested, ready for going out to tender after 15<sup>th</sup> October.

On 6<sup>th</sup> September the Local Government Association Healthwatch Implementation Team, consisting of the Programme Director and a number of Local Authority specialists working on LHW met with the Cabinet Member for Business Strategy, Performance & Health Reform and the KCC LHW development team to conduct a Quality Assurance exercise on the draft specification. The team were very positive about the specification and considered it a good model that other Local Authorities could follow. A few amendments were agreed as a result of the exercise. The final stage of quality assurance is on 13<sup>th</sup> September at a “mini masterclass” for the South East region run by the Health and Social Care Partnership group. The Invitation to Tender is expected to be issued on 16<sup>th</sup> October

National guidance for all aspects of LHW, including specification and evaluation, continues to be issued and these could still alter Kent’s specification.

Advice from the Procurement Team has mirrored feedback from consultation events and has influenced significantly the way the specification has been written. It includes the following sections:

1. Legislative and Policy Context – how the set up of LHW is a part of the reforms of the Health and Social Care Act 2012, with a plain English explanation of its main functions.

2. A profile of Kent – population, deprivation etc
3. Service landscape – basic information on Social Care, Public Health, Health Commissioning and Health Provision
4. Priorities in Kent – Health & Wellbeing Strategy, NHS Operating Framework, Public Health Outcomes Framework, Social Care Outcomes Framework and the Childrens; Improvement Plan
5. Developing the new system in Kent – shadow Health and Wellbeing Board, Shadow LHW
6. Functions of LHW – in addition to the statutory functions, what we want the new organisation to do in Kent. These have been developed through consultation, reflection on the work of the Kent Local Involvement Networks and brainstorming the requirements of adopting a co-operative way of working with the emphasis on building a partnership to achieve common aims of the best outcomes possible for health and social care.
7. Governance and accountability - how LHW will select Governors or Directors, how they will sub-contract specific work to voluntary organisations, accountability to the public and to KCC.
8. Role of the Local Authority - relationships between LHW and KCC will be complex. We will hold LHW to account for operating effectively and they will hold us to account for the social care and public health services we commission. Lessons have been learnt from our relationships with the Kent LINK and we will be providing a more supportive and constructive relationship. KCC will be offering help such as promoting the organisation, brokering relationships with commissioners and providers of care services.
9. Outcomes Framework - KCC will fund, contract and performance manage Local Healthwatch. Performance Management will be through an Outcomes Framework which we will finalise with the successful bidder, once selected. Examples of draft outcomes are:
  - a) LHW's input has influenced health and social care and the user's experience.
  - b) LHW is maintaining and improving the network of voluntary organisations which do or could contribute to better health and social care outcomes.
  - c) The people of Kent know of LHW and its role in improving health and social care.
  - d) Relationships between commissioners and providers of health and/or social care and LHW are professional and effective.
  - e) Health and social care commissioners and providers welcome LHW feedback as being relevant, timely, appropriate and representative of the population.
  - f) Feedback from clients of the Information and Signposting Service report that the service has helped them find the services that best meet their needs.

Early market development work showed there were few organisations that could provide all the LHW services alone. Some voluntary organisations have been liaising and may join together to form a social enterprise that will bid to deliver all services. Advice from procurement, and again this has mirrored feedback from consultation, is that we advertise the services as separate “baskets” of functions and allow bids for one or more of these bundles. This approach will allow us the freedom to choose the organisation(s) that show the greatest prospect of delivery.

## Key milestones

The following table shows the key milestones to be met to ensure the successful establishment of the formal LHW in March 2013.

July	Aug	Sep	Oct	Dec	Jan	Mar	Apr 13
P&RCC for agreement re strategic direction		Corporate Board for update & agreement  SOB for information  P&RCC prior to final decision	Commissioning & Procurement Board				
Appoint to interim shadow LHW		Inaugural meeting of interim Shadow LHW					
Procurement specification developed	Procurement process begins				Award	LINK ends	Kent LHW established
Summary report on issues re. draft regulations		Secondary legislation	HW England Regulations to be published	Actual budget known			

## 8. Recommendations

Members of the Cabinet Committee are asked to consider and either endorse or make recommendations on the Cabinet Member decision to move to procurement following the steps set out in the report.

### Background documents

None

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