

22 February 2016**Agenda Item: 6****REPORT OF THE CORPORATE DIRECTOR, PLACE****HEALTHWATCH NOTTINGHAMSHIRE EXTENSION OF CONTRACT AND
FUNDING 2016/18****Purpose of the Report**

1. The purpose of this report is to request £50,000 from contingency funding for 2016/17 to fund the continuation of NCC's contract with HeathWatch Nottinghamshire [HWN].

Information and AdviceBackground

2. Policy Committee on 6th January 2016 approved that the Council's contract with HWN be extended to March 2018 and that due to a shortfall in central government funding that a request for funding of £50,000 from contingency for 2016/17 is submitted to Finance and Property Committee.
3. Local HealthWatch [LHW] is one of the services supported through the Local Government Finance Settlement and as this is not hypothecated, local authorities can choose how to prioritise spending based on local priorities. In addition to this, the Department of Health [DoH] allocates the Local Reform and Community Voices Grant which includes additional funding for HealthWatch.
4. The Local Reform and Community Voices Grant allocation for Nottinghamshire for 2015/16 was £475,139 and was intended to cover: additional funding for Deprivation of Liberty Safeguards in hospitals; additional LHW funding and funding for the transfer of Independent Complaints Advocacy to local authorities.
5. However DoH funding for 2015/16 was reduced by £142,000. This reduction in central Government core funding has resulted in a financial shortfall. This reduction of approximately 40% from 2014/15 resulted in a budget pressure for NCC as commitment has been made to award £337,000 to HWN for 2015/16.

Future Funding

6. A significant part of the shortfall for 2016 – 17 can be met from NCC contingency and mainstream budgets with an overall reduction in the HWN budget of 12.5%. This will be split as follows: £50,000 from contingency; £50,000 from Adult Social Care, Health and Public Protection and a £42,000 reduction in annual grant to HWN.
7. Following clarity on the outcome of the Local Government Spending Review, further consideration will need to be given to funding for 2017/18.

Other Options Considered

8. NCC has a statutory duty to commission a LHW as a 'Body Corporate' and a social enterprise. HWN has in turn a set of statutory activities to undertake as outlined above. As part of contract management HWN have developed in consultation with NCC a set of KPIs which measure outcomes to support the delivery of these statutory activities. Since its establishment as a new independent organisation in April 2013, it has developed with the support of its commissioners, a strong organisational base including recruiting staff and volunteers, developing its governance arrangements and growing its governing board from 3 to 8 trustees and opening a satellite base in Bassetlaw CVS offices.
9. There are a number of different operating models for LHW across the country and different organisations vary widely in how they are organised. Within the current contract there is an option to extend for a further 2 years (2016–18) or go out to tender. HWN has a good reputation with service providers and commissioners and as a social enterprise and registered charity is actively seeking other funding from, for example, CCGs.
10. The tender process followed in 2012/13 was unsuccessful, in that local organisations did not feel ready or confident to tender to deliver this service. There is no evidence to suggest that this situation has changed significantly at this stage.

Reason/s for Recommendation/s

11. HWN has in its early years of operation developed a robust infrastructure and is developing a strong and creditable reputation with partners, stakeholders, service users and the public. HWN is in the process of shifting from setting up the organisation and developing local relationships to developing effective processes for carrying out its activities and is beginning to achieve impact in terms of changes to service delivery.
12. The need for a strong, independent and resourced LHW for Nottinghamshire will be even more important over the next few years. Services in the NHS and Social Care are under severe pressure from the increasing level of demand and reductions in funding. The watchdog role of the organisation will be of increasing importance as pressure on services continues.
13. HWN's role is distinct from other organisations, for example, it has formal representation on the Health and Wellbeing Board and also has a distinctive power to 'enter and view' providers.
14. Meeting the shortfall through a mix of NCC contingency, mainstream budgets and an overall reduction in the HWN budget of 12.5%, will provide the opportunity to work with HWN on future funding models. This funding will be split as follows: £50,000 from contingency; £50,000 from

Adult Social Care, Health and Public Protection and a £42,000 reduction in annual grant to HWN.

RECOMMENDATION/S

15. That Committee approve £50,000 from contingency funding for 2016/17 to fund the continuation of NCC's contract with Heathwatch Nottinghamshire [HWN].

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Constitutional Comments [EP 01.02.2016]

The recommendation falls within the remit of Finance and Property Committee by virtue of its terms of reference.

Financial Comments [SES 29.01.2016]

The financial implications are set out in the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None.

Electoral Division(s) and Member(s) Affected

All