



**REPORT OF THE DEPUTY LEADER, NOTTINGHAMSHIRE COUNTY  
COUNCIL**

**ESTABLISHING HEALTHWATCH NOTTINGHAMSHIRE: PROGRESS  
UPDATE**

**Purpose of the Report**

1. To set out a revised approach to establishing a Healthwatch Nottinghamshire organisation following the recent procurement exercise to secure a provider.

**Information and Advice**

Background

2. At its meeting on 12 September 2012, Policy Committee considered a report advising of the requirement for, and intended approach to, establishing Healthwatch Nottinghamshire. Policy Committee will recall that under the Health & Social Care Act (2012) all local authorities with social care responsibilities are required to commission and contract manage a Local Healthwatch (LHW) for their areas. They are also required to commission an NHS complaints advocacy service which may be commissioned as part of, or separate from, Local Healthwatch but with a data sharing arrangement between the two in the case of the latter.
3. From 1 April 2013 when they are established, Local Healthwatch organisations will be the '*local consumer champion for patients, service users and the public*' and will strengthen the public and patient voice in the provision of publicly funded health and social care services. Local Healthwatch organisations will be complemented at the national level by Healthwatch England, which was established in October 2012, as a committee of the Care Quality Commission.
4. The Act requires that Local Healthwatch is a 'body corporate' and a social enterprise (i.e. a not for profit company) that '*operates for the benefit of, and is accountable principally to, its local community.*' Local Healthwatch organisations will be able to employ staff, sub-contract statutory functions and involve volunteers.
5. As was reported in September, many different Local Healthwatch models are emerging across the Country. Some local authorities are favouring the 'host' model currently used with Local Involvement Networks (LINKs); others are actively involved in the bottom-up development of Local Healthwatch social enterprises and are intending to grant aid them to

carry out their duties; with others favouring a competitive procurement exercise to secure a Local Healthwatch provider.

6. Policy Committee decided that a competitive procurement route was the most appropriate approach in Nottinghamshire and 25 national and local organisations attended a Healthwatch Nottinghamshire market sounding event in September 2012. However, despite this level of interest, the Invitation to Tender (ITT), which closed on 23 November, did not generate any tenders which met the required quality threshold. This has meant that the ITT exercise has been abandoned, with contingency plans being put in place. Those plans, which are set out in the remainder of this report, have been determined following discussions with the Corporate Director for Policy, Planning and Corporate Services, in consultation with the Deputy Leader of the County Council, who were given delegated authority to take action which is considered necessary to achieve the establishment of Healthwatch Nottinghamshire as per a Policy Committee decision in September 2012.

### Contingency Plan

7. A key consideration in any contingency plan is the requirement for the Council to meet its statutory obligations in respect of having a Healthwatch organisation in place by 1 April 2013.
8. The contingency plan for Healthwatch Nottinghamshire is for the County Council to establish the company itself, via a third party. This is akin to the approach taken by Derbyshire County Council which has engaged an Implementer to undertake all of the preliminary tasks associated with establishing Healthwatch Derbyshire, with the Implementer then working with the Board to finalise some of the detail. Derbyshire County Council will then grant aid the company on a 5 year grant aid agreement.
9. It is proposed that the County Council replicate much of Derbyshire's approach with the key objectives of the Implementer for Healthwatch Nottinghamshire being to:
  - i. Plan and undertake key tasks and provide advice and guidance so that Healthwatch Nottinghamshire is established and can be operational (including the employment of staff) by 1 April 2013 including the identification and acquisition of office accommodation; HR (payroll); ICT; finance and accounting support; insurances; key policies and procedures etc.
  - ii. Provide advice, support and guidance to the Executive Board to develop collective and individual skills, efficacy and authority to provide leadership for Healthwatch Nottinghamshire.
  - iii. Facilitate the Executive Board members to become a functioning group and corporate governance body
  - iv. Develop a business plan for Healthwatch Nottinghamshire for the period 2013/14 for agreement by the Executive Board during March 2013 (based on the Healthwatch Nottinghamshire Service Specification which was developed following extensive stakeholder engagement).
10. At the time of writing, two potential Implementers have been identified and discussions are taking place in securing the services of one of them to take the work forward commencing as early as possible in 2013 so as to give the maximum amount of time to undertake all necessary tasks.

11. It is considered that the Council and its stakeholders will be able to progress the appointment of the Healthwatch Nottinghamshire Executive Board without the support of the Implementer, but drawing from the experience of the approaches being taken by other local authorities. A Chair will be recruited to provide strategic leadership to the organisation, with up to 4 further directors being appointed directly afterwards to cover particular skill sets including finance; business development; community engagement etc. It is intended that the Board will be appointed by a panel, with an independent chair. In order to seek a high calibre chairperson, the post would be remunerated up to £12,000 per year, for year one, with an anticipated time commitment of up to 3 days per week. It is envisaged that the recruitment process for Board members will commence early in the New Year.
12. To complement the generic corporate governance and company set-up work of the Implementer, Healthwatch specific public patient involvement expertise will be commissioned to support the induction and development of the Executive Board and the development of the Healthwatch Nottinghamshire Business Plan. This work will also include some awareness and capacity building work with the voluntary and community sector to ensure that they are prepared to play an active role in Healthwatch Nottinghamshire given that the latter's success will hinge on the extent to which it is able to harness the support of existing voluntary and community sector organisations.
13. It will also be necessary to secure the services of an interim manager for Healthwatch Nottinghamshire from mid-February / early-March to support the Board in its early work.
14. In summary, the high level timeline of the key tasks to be undertaken as part of the Healthwatch Nottinghamshire Contingency Plan are:

<b>What</b>	<b>Date</b>	<b>Lead</b>
Identify and contract Implementer	Dec – Jan 13	NCC
Recruitment of Board	Jan – Feb 13	NCC / Stakeholders
Board Induction – design / delivery	Feb – April 13	Implementer
Implementation (including company registration)	Jan – Mar 13	Implementer
Business Plan development	Dec – Mar 13	Implementer

15. Given that Healthwatch is required by statute to be an independent body, the Healthwatch Nottinghamshire Working Group comprising representatives from the County Council; CCGs; the LINK; the LINK host; and the voluntary and community sector (NAVO)) will continue to have a role in guiding the establishment and early development of Healthwatch Nottinghamshire.
16. It was always envisaged, and accepted by key stakeholders, that Healthwatch Nottinghamshire would be developmental in its first year. Whilst the organisation should have the capacity upon establishment to continue the work of the Nottinghamshire Local involvement Network (which it will replace) it will not have the expertise or capacity to undertake a signposting and information role in the short term. However, as the Nottinghamshire CCGs have retained PCT Patient Liaison and Advice Services (PALS) which in many areas have been abolished and replaced by Local Healthwatch this delay is not considered to have an adverse impact on consumer service.

17. As part of the Healthwatch Nottinghamshire contingency plan a Business Plan will be developed that will set a staged plan for developing services and outcomes over time. This will need to be agreed by the Board. The Business Plan will also need to be informed by contractual and funding arrangements between the company and the County Council.

#### Funding for Local Healthwatch and the Contingency Plan

18. At its meeting in September 2012, Policy Committee agreed that the indicative budget for Healthwatch Nottinghamshire will be £434,419 per annum for 2013/14 and 2014/15. The final amount will be confirmed following the final local government settlement (the provisional settlement was issued in December 2012).

19. As the Council is now in the position of establishing Healthwatch Nottinghamshire, and will need to fund it directly, an appropriate funding and contracting arrangement will need to be put in place which takes account of the organisation's development and incremental service provision in the first year. The Council will need to ensure that performance targets and outcomes are clearly set out and that performance is managed during the first year and beyond.

20. Funding from the Government also includes a one-off transition allocation of £46,000 in 2012/13 to facilitate set-up costs of Healthwatch Nottinghamshire. This amount will be used to fund the costs associated with the contingency plan for Healthwatch Nottinghamshire as outlined in the report.

#### **Other Options Considered**

21. Under the Health and Social Care Act (2012) the County Council is required to commission an independent Local Healthwatch organisation to be in place by 1 April 2013. The Council is prohibited under the Act from delivering Healthwatch itself. Because of the timelines, the specialist expertise involved in establishing a Healthwatch organisation and the need for Healthwatch to be independent the approach set out in this report is considered necessary. It should be noted that it comes on the back of the preferred approach which was to procure a Healthwatch provider via a competitive procurement exercise.

#### **Reason/s for Recommendation/s**

22. Given the timelines associated with establishing Healthwatch Nottinghamshire following the abandoned Invitation to Tender exercise, contingency plans needed to be mobilised quickly along the lines set out in this report and in line with the delegated authority given by Policy Committee in September 2012.

#### **Statutory and Policy Implications**

23. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below.

#### **Financial Implications**

The financial implications of the contingency approach to establishing Healthwatch Nottinghamshire are set out in paragraphs 18 - 20.

### **Equalities Implications**

The new Healthwatch Nottinghamshire organisation will be a body corporate and will have public sector duties and responsibilities including compliance with the Equality Act (2000). Specific outcomes, with performance measures, will be set out in the contract requiring Healthwatch Nottinghamshire to undertake and publish an equalities impact assessment on an annual basis.

The model for Healthwatch Nottinghamshire will maximise the opportunity for every Nottinghamshire citizen to take part and have their voice heard and will actively engage and involve individuals, community groups, the seldom heard and disadvantaged groups.

### **RECOMMENDATION/S**

- 1) It is recommended that Policy Committee:
  - i. endorse the revised approach to establishing Healthwatch Nottinghamshire following the abandoned Invitation to Tender exercise.
  - ii. request that a further report be presented to Policy Committee later in the year advising on progress in establishing Healthwatch Nottinghamshire.

**County Councillor Martin Suthers  
Deputy Leader  
Nottinghamshire County Council**

**For any enquiries about this report please contact:**

**Caroline Agnew  
Programme Manager  
Tel: 0115 9773760**

### **Constitutional Comments (LM and 7/1/13)**

24. Policy Committee has delegated authority to approve the recommendations set out in the report.

### **Financial Comments (RWK 07/01/13)**

25. All costs associated with establishing and running Healthwatch Nottinghamshire will be funded from existing revenue budget allocations and additional grant funding provided by central government to local authorities following the transfer of responsibility for Healthwatch from the health service.

### **Background Papers**

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.

The Health and Social Care Bill (2012) – HM Government  
Healthwatch Factsheet – Funding (June 2012) – LGA & DH

**Electoral Division(s) and Member(s) Affected**

All