

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member Policy and Resources
Date:	19 January 2012
Title:	Interim arrangements for Local Involvement Network (LINK) and procurement of Healthwatch
Reference:	3454
Report From:	Chief Executive

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1. Executive Summary

- 1.1. The purpose of this paper is to update the Executive Member on the progress in responding to the proposals in the Health & Social Care Bill as they relate to the requirement for the County Council to establish a Local Healthwatch (HW) by October 2012, replacing the existing Local Involvement Network (LINK).
- 1.2. This paper seeks to gain agreement to a process to enable the County Council to maintain the existing LINK until at least October 2012 and to procure the necessary infrastructure to deliver Healthwatch from October 2012.

2. Contextual information

- 2.1. The Health and Social Care Bill sets out the Government's proposals for reform of the NHS and includes proposals to strengthen the public and patient voice in the delivery of health and social care services by the establishment of Healthwatch England at the national level and Local Healthwatch in all upper tier local authority areas. Currently this role is carried out by Local Involvement Networks (LINK) for which local authorities have the responsibility for commissioning against an un-ring-fenced funding allocation from Government. In the Hampshire area there are currently three LINKs (four if the IoW is included). In March 2011, the County Council extended the contract for providing Hampshire LINK until March 2012. At the same time the Leader agreed a contingency of £50,000 against the budget for the development and procurement of HW.
- 2.2. The proposals for HW in the legislation present a fundamental change in the way patient and public voice is managed bringing in additional responsibilities

for providing information and advice on choice and delivering an advocacy service in relation to NHS complaints. The County Council has been working to develop an approach to HW through a pathfinder with Southampton, the Isle of Wight and Portsmouth councils to ensure that HW is in place by October 2012 which is the current implementation date for the main HW role in the legislation. The delay in the passage of the legislation may mean that the current implementation dates are changed. Please note that the complaints advocacy service is proposed to be implemented from 2013.

- 2.3. The proposed implementation date for HW means that, having extended the LINK contract up to end March 2012, there will be at least a 6 month gap when the County Council will need to maintain provision of the LINK service before HW is established.

3. Finance

- 3.1. The full financial implications are still not known at this stage. The Government has consulted on the formula for calculating funding allocations for the new roles for HW in relation to providing support for choice and advocacy on NHS complaints. The consultation can be seen at http://www.dh.gov.uk/en/Consultations/Liveconsultations/DH_128429. This consultation closed on 24 October and an announcement on local authority allocations is expected by the end of 2011.
- 3.2. The consultation document does confirm that the current allocation that upper tier authorities receive for the LINK, which in Hampshire is £388,000, will remain. This funding is included in the County Council's overall Government grant. In March 2011 the County Council extended the current LINK host contract for 1 year up to 31 March 2012 at a cost of £149,500 (plus a budget of £57,000 for LINK activities managed by the County Council) against the 2011/12 budget of £388,000. At the same time, a contingency of £50,000 was agreed against this year's budget to support the development of HW. Budget provision of £357,000 has been made in 2012/13 reflecting the 8% reduction on the 2011/12 amount.
- 3.3. In terms of the additional elements proposed for HW, there are a number of complications that will need to be worked through both by Government and the authorities involved. The funding for providing support for patients on choice in healthcare currently forms part of the funding to Primary Care Trusts and the complaints advocacy service is provided under a regionally based contract with the Department of Health. The amounts that Hampshire could receive, in addition to the LINK allocation mentioned above, range from £663,023 to £905,418 depending on the formula used to calculate the allocation. This funding will be allocated as part of the Department of Health Learning Disabilities and Health Reform Grant.

**4. Actions to date and proposals:
Interim arrangements for LINK**

- 4.1. Consideration was given to the option of bringing the support for LINK in house including the transfer in of one member of staff and the possibility of locating the service with a voluntary organisation. Since then, discussions have been held with the current contractor to understand the details relating to TUPE and the implications of providing the other elements of support for the LINK. It is clear that, while transferring the individual member of staff into the County Council is relatively straightforward, the other elements of support (including website and database management and mailings, consultation exercises, event management, governance around CRB checks for Enter & View processes and working with NHS providers to validate engagement activities) would require significant additional capacity within the organisation which would be difficult to identify and resource, particularly in the timescales available.
- 4.2. As a result, and following further legal advice, it is proposed to carry out a procurement exercise for a short term contract to cover the interim period from April 2012 until the establishment of HW. The contract would be for up to one year dependent on the establishment of HW (to cover the potential slippage in implementation due to the delay in the legislation) and would include the ability to build in an appropriate notice period. This would be within the cost of the existing contract at £149,500 and any arrangement would also maintain the budget for LINK activities as outlined above. The costs of the procurement are likely to be around £4,200 and can be met from within the current budget for LINK as outlined in paragraph 3.2.

Procurement of HW

- 4.3. A Prior Information Notice (PIN) process was launched in October to undertake market engagement for the commissioning of HW and a stakeholder engagement event held on 11 November. A further event was held on the Isle of Wight on 25 November. The event provided a good opportunity to promote awareness of the Government's proposals for HW, the issues for the local authorities around funding, opportunities for collaboration and timing for procurement and has produced some helpful feedback in terms of models, roles and structures for building a specification for HW.
- 4.4. Further consultation and stakeholder engagement will take place until end January 2012 when, subject to the passage of the legislation, a specification will be drawn up to inform the invitation to tender.
- 4.5. The costs of the full procurement exercise, based on a Hampshire County Council only procurement, are estimated to be up to £14,500 and can be covered by the contingency provision mentioned in paragraph 2.1. These costs could be reduced or shared if an agreement can be reached with unitary councils, through the pathfinder, for any joint procurement exercises.

5. Timelines/next steps

- 5.1. The Health & Social Care Bill is still progressing through Parliament and is not expected to be enacted until early in 2012. In the absence of the legislation, but assuming that the proposals for HW will continue, the County Council will need to continue to act in order to meet the Government's current proposed deadline for the establishment of HW by October 2012.
- 5.2. In the meantime the County Council is required to maintain support to the existing LINK and the proposed invitation to tender will ensure that a full support service is available to the LINK which will help the transition to HW.

6. Conclusion

- 6.1. The complexity of the proposals in the Bill as they relate to HW and the delays in the legislation have put the County Council in a position of needing to act in the absence of a clear proposal or funding allocation from Government.
- 6.2. The proposals set out in this report seek to move the Council forward and ensure that it is in a position to fulfil its statutory requirements and provide a valuable service to the public and patients in Hampshire in a timely fashion.

7. Recommendation(s)

- 7.1. That the Executive Member endorse the approach set out above and the proposal to undertake a procurement exercise to let a short term contract to provide interim support for the existing LINK.
- 7.2. That the progress, and issues in relation to the procurement for HW be noted.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes/no
Corporate Improvement plan link number (if appropriate):	
OR	
This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because: n/a	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u> Local Involvement Network transition arrangements	<u>Reference</u> 2667	<u>Date</u> 9 March 2011
Direct links to specific legislation or Government Directives		
<u>Title</u> Health & Social Care Bill	<u>Date</u> 2011	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. The LINK, and subsequently Healthwatch, provides a mechanism for public and patient involvement in the design and delivery of health and social care services in Hampshire. Equality impact will be assessed as part of the procurement process.

2. Impact on Crime and Disorder:

- 2.1. None

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption? None
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts? None