

HEALTH AND WELLBEING BOARD			
Report Title	Re-commissioning of Healthwatch Lewisham and NHS Complaints Advocacy		
Contributors	Service Manager, Strategy and Policy	Item No.	8Cii
Class	Part 1	Date:	24 November 2015

1. Purpose

- 1.1 This report provides an update to the Health and Wellbeing Board on the re-commissioning of Healthwatch Lewisham and NHS Complaints Advocacy.

2. Recommendations

- 2.1 Members of the Health and Wellbeing Board are invited to note:
- the process and timetable for re-commissioning Healthwatch Lewisham and NHS Complaints Advocacy
 - the value of the contract.

3. Policy Context and Background

- 3.1 Under the Health and Social Care Act (2012), local authorities who commission Adult Social Care services have a statutory duty to commission a local Healthwatch. Lewisham's Healthwatch is required to provide a range of services that support individuals and communities with regard to health and social care services in their local areas. The Healthwatch service replaced the Local Involvement Network (LINKs). The main role of Healthwatch is to:
- i. signpost people to local health and social care services
 - ii. collect and analyse the experiences that people have of local care to help shape local services
 - iii. feed views and any recommendations to Healthwatch England to act on at a national level.
- 3.3 Lewisham's Health and Wellbeing Board is committed to improving the health and wellbeing of citizens in Lewisham. Healthwatch Lewisham supports the Health and Wellbeing Board to deliver key objectives of *Lewisham's Health and Wellbeing Strategy*. Healthwatch Lewisham is also represented on the Joint Public Engagement Group, a sub group of the Health and Wellbeing Board.
- 3.4 The provision of independent advocacy is a legal requirement under section 248(1) of the National Health Service Act 2006.
- 3.5 The Health and Social Care Act 2012 transferred the responsibility and funding to commission an NHS Complaints Advocacy Service to local authorities from 1st April 2013.

- 3.6 Independent advocacy in this instance relates only to the provision of assistance for individuals making or intending to make an NHS complaint (which includes a complaint to the Health Service Ombudsman).
- 3.7 Healthwatch and NHS Complaints Advocacy support the Council to deliver key strategic objectives as outlined in Lewisham's Health and Wellbeing Strategy and Shaping our Future – Lewisham's Sustainable Community Strategy:
- 'Healthy, active and enjoyable – where people can actively participate in maintaining and improving their health and wellbeing'.
 - 'Empowered and responsible – where people can be actively involved in their local area and contribute to supportive communities.'
- 3.8 Following a tendering process in early 2015, Healthwatch Bromley and Lewisham was commissioned to deliver Healthwatch in Lewisham on a twelve month contract ending on 31 March 2016. The NHS Complaints Advocacy service is currently provided by Voiceability via a pan-London contract involving 25 boroughs entered into in April 2013 and also ending on 31 March 2016. A new tendering process is necessary therefore to procure both services starting in April 2016.

4. Options for Re-Commissioning Healthwatch Lewisham

- 4.1 A range of options were considered in relation to the re-commissioning of the Healthwatch service from 2016/17.

4.2 Procurement process

In relation to the procurement process, two main options were considered:

- i) Open tendering exercise. The benefit of using an open procedure is typically the high level of respondents, increasing competition and opportunities for a wide range of innovative solutions. The disadvantage is the number of tenders that may need to be evaluated.
 - ii) Restricted procurement process whereby tenders are invited directly from a limited number of specialist contractors rather than through an open advert. The rationale for this would be based on previous experience in Lewisham and other London boroughs that there are only a very small number of providers that are likely to submit bids and that these providers are already known to the Council. This approach would require approval from the Executive Director for Resources to waive procurement regulations.
- 4.3 It was agreed that an open tendering exercise is used to procure services. Although it appears to be true that there are a small number of suitable service providers, this will provide an opportunity to test this assumption and ensure best value is achieved.

4.4 Scope of contract

An opportunity was identified to commission the NHS Complaints Advocacy service within the Healthwatch contract and from the same service provider. These are complementary services and contracts for both services end in March 2016. This is an approach that has already been taken by other local authorities and

which could be effective in Lewisham.

4.5 The NHS Complaints Advocacy service is currently provided by Voiceability via a pan-London contract involving 25 boroughs. The disadvantage of withdrawing from this arrangement could be a loss of 'economies of scale'. However the on-going stability of this arrangement is currently unclear, with some boroughs indicating that they may move to more local arrangements, combining this service with other information and advice contracts.

4.6 The main advantages of commissioning both services together are as follows:

- i. Important links between the two services are strengthened, leading to better outcomes
- ii. The potential for efficiencies to be achieved
- iii. Saving in officer time by only managing one contract

4.7 The benefit of withdrawing from the pan-London arrangement would be the potential for a service with a stronger local focus and influence over the way that the service is provided.

4.8 It was agreed that the NHS Complaints Advocacy service is included in the Healthwatch contract for reasons given in 4.6 and 4.7 above.

4.9 Value of contract

The main options around the contract value were as follows:

- i. Maintain contract value at its current level of £146,000 per annum (plus £50,000 for the NHS Complaints Advocacy service).
- ii. Reduce the value of the Healthwatch contract in line with other Council savings but maintain the value of the NHS Complaints Advocacy service. Evidence from other London boroughs (see table 1 below) shows that savings have already been made to Healthwatch contracts in 2015/16.
- iii. Reduce the value of the Healthwatch contract in line with other Council savings and seek to reduce the value of the NHS Complaints Advocacy contract.

Table 1

Healthwatch Funding: London Boroughs Comparison (Source Healthwatch England, July 2015)			
Borough	Saving	2015/16	2014/15
Hounslow	£102,233	£89,378	£191,611
Harrow	£75,000	£100,000	£175,000
Ealing	£57,700	£160,300	£218,000
Brent	£26,600	£150,000	£176,600
Lambeth	£26,000	£265,000	£291,000
Tower Hamlets	£24,500	£220,500	£245,000
Hackney	£20,000	£150,000	£170,000
Haringey	£20,000	£180,000	£200,000
Camden	£12,892	£244,538	£257,430

Lewisham	£7,905	£146,000	£153,905
Enfield	£4,532	£264,108	£268,640
Bromley	£3,519	£140,650	£144,169
Bexley	£400	£134,000	£134,400
Barking and Dagenham	£0	£124,000	£124,000
Barnet	£0	£197,361	£197,361
City of London	£0	£54,678	£54,678
Croydon	£0	£245,000	£245,000
Greenwich	£0	£129,000	£129,000
Hillingdon	£0	£175,000	£175,000
Islington	£0	£176,200	£176,200
Kingston	£0	£122,000	£122,000
Merton	£0	£125,085	£125,085
Newham	£0	£140,000	£140,000
Redbridge	£0	£166,000	£166,000
Richmond	£0	£146,000	£146,000
Southwark	£0	£120,000	£120,000
Waltham Forest	£0	£160,000	£160,000
Central West London	Not yet confirmed	Not yet confirmed	£500,000

4.10 The table shows a wide variation in budgets allocated to Healthwatch across London and in savings made in 2015/16. Lewisham has 15th highest budget of the 28 boroughs included. As far as neighbouring boroughs are concerned, the value of the Lewisham contract is £17,000 higher than that of Greenwich and £26,000 higher than that of Southwark.

4.11 Information on anticipated expenditure on Healthwatch by other London boroughs in 2016/17 is less comprehensive although anecdotal evidence from Healthwatch England suggests that most local authorities are planning further savings. Information from Bromley, Sutton and Islington reveals the following anticipated savings in the coming two years:

	2015/16	2016/17	2017/18
Bromley	£140,650	£113,000	£85,650
Sutton (includes NHS Advocacy)	£200,000	£150,000	£135,000
Islington	£176,200	£165,500	£165,500

4.12 The rationale for reducing the value of the Healthwatch Lewisham contract is to support the Council to achieve efficiencies, in line with other Council funded services. In addition, it is recognised that there is some duplication in relation to the provision of information and signposting services. Under the Care Act 2014 the local authority now also has a statutory duty to provide information and signposting. In light of this and the evidence that demonstrates a relatively low demand for these services from Healthwatch, it is felt that efficiencies could be achieved in this area. It was agreed that savings of 25% are made to the contract in line with those made around the Voluntary Sector Main Grants programme in 2015. This will result in a contract value of £109,500 for the provision of a Healthwatch service.

4.13 The NHS Complaints Advocacy service is currently demand led. The fees comprise a core cost and a tariff for services used and it is recommended that the same approach is taken with the new contract. In 2015/16 £50,000 was allocated as an estimated total value to the contract. Because of the complexity of combining the two services it is recommended that the contract value remains the same in 2016/17, with a review of tariff charges on an annual basis thereafter.

4.14 **Length of contract**

It was agreed to procure services for a two year period with the option of a twelve month extension. This will allow a degree of stability for the provider whilst ensuring flexibility for commissioners in a changing health and social care landscape.

5 Financial Implications

5.1 This report recommends that officers use an open tendering process to procure a single service for both Healthwatch and NHS Complaints Advocacy from 1/4/2016 when the current contract expired. The proposed value of the Healthwatch element is £109,500, a saving of £36,500 (25%) on the current contract. The proposed value of the NHS Complaints Advocacy element is £50,000 p.a., unchanged from the present value. The funding for Healthwatch Lewisham is partly drawn from the Local Reform and Community Voices Grant. The balance of funding comes from the Community Services base budget.

6 Legal Implications

6.1 The report proposes merging two contracts together and reducing the funding of those contracts by 25%. In accordance with the Council's Contract Procedure Rules written authorisation from the Executive Director is required to go out to tender. The award of the contract following the open procurement process will need to be approved by the Executive Director for Community Services

6.2 This is not a Key Decision

7. Equalities Implications

7.1 There are no equalities implications to this decision, these will arise and be addressed in the contract documentation and form part of the criteria used in the tender evaluation.

8. Environmental Implications

8.1 There are no environmental implications to this decision, these will arise and be addressed in the contract documentation and form part of the criteria used in the tender evaluation.

If there are any queries on this report please contact Andy Thomas, Principal Officer, Policy, Service Design and Analysis Hub, London Borough of Lewisham on 020 8314 9996 or by e-mail at andy.thomas@lewisham.gov.uk