

Commissioning an effective local Healthwatch

Commissioners resource pack May 2020

Contents

About this guide	3
Introduction	3
Background to Healthwatch	3
What does the legislation say about Healthwatch	5
Role of the local authority	5
Role of Healthwatch England	13
Additional information to support local Healthwatch commissioning	15
Funding	15
Length of contracts or grant agreements	16
Supporting a smooth transition between providers	17
Good governance, independence and transparency	18
Healthwatch Quality Framework	20
Appendices	27
Healthwatch specification, contract or grant agreement checklist	27
When a Healthwatch changes provider guidance	29
Example outcomes and monitoring frameworks based on the Quality	
Framework	29

About this guide

This guide:

- Explains the key statutory requirements relating to Healthwatch.
- Outlines the local authorities' role in commissioning a local Healthwatch for their area.
- Explains Healthwatch England's role and how this relates to both local authorities and local Healthwatch.
- Introduces the Healthwatch Quality Framework, which has been developed to underpin effective Healthwatch commissioning and delivery.
- Provides a checklist to support local authorities when developing a tender specification, contract or grant agreement.

Introduction

English local authorities have a legal duty to commission a local Healthwatch, but they also have a broader leadership role in health and care as well as promoting wellbeing and tackling health inequalities through their public health role. By bringing people's voices into the heart of commissioning and delivery, Healthwatch contribute to the bigger picture by supporting local authorities and their partners to achieve health and care strategic aims and ambitions.

The information here is our interpretation of the legislation and regulations. Since 2012, as new obligations and new queries arise, we continue to develop our guidance on compliance and best practice. It is not intended and should not be used as legal advice.

This document may be subject to change. The latest version will be available on the Healthwatch network website and we will issue a notification of any changes.

Additionally, we have provided local Healthwatch with a Guide to Running a Healthwatch, which includes guidance on the legislation and regulations affecting running a Healthwatch.

Background to Healthwatch

The Health and Social Care Act 2012 established Healthwatch, nationally as Healthwatch England and locally through the requirement to have a local Healthwatch in each local authority area (upper tier or those that have statutory Adult Social Care responsibility). Local Healthwatch became operational in April 2013 when they replaced their predecessors Local Involvement networks.

There are 151 local Healthwatch across England, collectively referred to as the network. Local Healthwatch find out what people like and what could be improved about services and share these views with those who commission and provide health and care and have the power to make change happen. Healthwatch also help people find the information they need about services in their area.

Nationally and locally, Healthwatch have the power to make sure that those in charge of health and social care services listen to and act on what people want from care. As well as

seeking the public's views, Healthwatch also encourage health and social care services to involve people in decisions that affect them.

Healthwatch principles

Healthwatch are set apart from the statutory structures and voluntary and community sector they work within, as they perform public functions, deliver statutory duties and receive public funding. This is recognised in law, for instance, as Healthwatch have specific requirements under the Freedom of Information Act as well as Healthwatch legislation.

Their core purpose of making sure the views of the public shape the health and care services they need, requires them to be:

- **Independent in purpose** amplifying the voice and experiences of the most pressing and difficult issues in health and social care.
- **Independent in voice** speaking up on behalf of sometimes unpopular causes or groups who are marginalised and/or face disadvantages or discrimination.
- **Independent in action** designing and delivering activities that best meet the needs of the people they service.

If Healthwatch are to hold others to account, they themselves must operate with integrity, accountability and transparency to have credibility with the communities they serve. Local authorities should ensure their contractual requirements protect Healthwatch independence, while appropriate contract monitoring should enable Healthwatch to demonstrate they uphold Healthwatch principles.

What does the legislation say about Healthwatch?

The Local Government and Public Involvement in Health Act 2007, which was amended by the Health and Social Care Act 2012, outlines the main legal requirements for provision of Healthwatch. This is underpinned by many other regulations which give more detail about how activities should be undertaken.

The law refers to the roles of:

- Local authorities, who are required to make provision for Healthwatch.
- Providers of Healthwatch services (referred to as Healthwatch in this guide).
- Healthwatch England, whose main role is to provide advice and support to every local Healthwatch and to provide general recommendations to local authorities on making contractual arrangements for the delivery of Healthwatch activities.

Legislative frameworks are often complex. It is important to consider what legislation states about Healthwatch, local authorities and Healthwatch England. It says:

- What they must do (duties)
- What they may do (powers)
- What is prohibited

The role of a local authority

Every English local authority has a duty to make provision for the delivery of Healthwatch statutory activity in their local area. This means establishing a contractual arrangement (e.g. contract or grant agreement) with a social enterprise that delivers Healthwatch activity.

Central government provide funding to local authorities for Healthwatch activity through two sources:

- The Local Government Finance Settlement
- The Local Reform and Community Voices Grant

Make provision for Healthwatch statutory activities

The key requirements for local authorities are to make provision for the following statutory activities:¹

- Promoting and supporting the involvement of people in the commissioning, the provision, and scrutiny of local care services.
- Enabling people to monitor the standard of provision of local care services and whether and how local care services could and ought to be improved.
- Obtaining the views of people regarding their need for, and experiences of, local
 care services and importantly to make these views known to those responsible for
 commissioning, providing, managing or scrutinising local care services and to
 Healthwatch England.
- Making reports and recommendations about how local care services could or ought to be improved. These should be directed to commissioners and providers of care services, and people responsible for managing or scrutinising local care services and shared with Healthwatch England.
- Providing advice and information about access to local care services so people can make choices about local care services.
- Formulating views on the standard of provision and whether and how the local care services could and ought to be improved and sharing these views with Healthwatch England.
- Making recommendations to Healthwatch England to advise the Care Quality Commission (CQC) to conduct special reviews or investigations (or, where the circumstances justify doing so, making recommendations direct to CQC); and to make recommendations to Healthwatch England to publish reports about issues.
- Providing Healthwatch England with the intelligence and insight it needs to enable it to perform effectively.

Local authorities are required to ensure the arrangements are effective and represent value for money and to publish a report in relation to their findings on provision in their area. The Healthwatch Quality Framework can support this as it sets out the key ingredients of an effective Healthwatch.

A note about Enter and View:

Enter and View is not a statutory Healthwatch activity but a legal power of entry. It is one way in which Healthwatch can carry out engagement activity and whether and when to use it is a decision for Healthwatch. Specifications, contracts or grant agreements should not set targets around Enter and View activity.

¹ Section 221 of the Local Government and Public Involvement in Health Act 2007 as amended by the Health and Social Care Act 2012 https://www.legislation.gov.uk/ukpga/2007/28/section/22

Secure a provider for your local Healthwatch

Every local authority in England must arrange for a corporate body that is a social enterprise to deliver an effective Healthwatch in their area. This is usually done by issuing a contract or a grant agreement to a provider organisation with a specification for how the service will be delivered, including the statutory activities and local requirements.

There are broadly two delivery models:

- **'Standalone'** an organisation (i.e. the legal entity that holds the contract) set up solely to run a specific Healthwatch.
- 'Hosted' an organisation that provides a range of services, including a Healthwatch and/or it may solely deliver two or more Healthwatch contracts.

There are providers that deliver Healthwatch for two or more local authorities (multiple Healthwatch providers), and you can use the Quality Framework to consider aspects such as how sufficient leadership and management capacity is maintained across all contracts, reserves position and so on.

What is a social enterprise?

Local Healthwatch must be provided by an organisation which is a social enterprise as defined by the legislation:²

- Regardless of the legal structure of the organisation, it can only be a social enterprise if a person might reasonably consider that it acts for the benefit of the community in England.
- Certain political activities are also prevented, by legislation, from falling within this definition.³
- The organisation must either fall into one of the following three categories:
 - o Companies limited by guarantee and registered as a charity.
 - Community Interest Companies (CIC).
 - Charitable Incorporated Organisations (CIO).

Or have a constitution which:

- Ensures that over 50% of its distributable profits in each financial year will be used for Healthwatch activities.
- Contains a statement or condition that the local Healthwatch is carrying out its activities for the benefit of the community in England.

² s.222(8) of the Local Government and Public Involvement in Health Act 2007 (LGPIHA) and attendant regulations (reg 35 to 38 of the NHS Bodies and Local Authorities (Partnership Arrangements, Care Trusts, Public Health and Local Healthwatch) Regulations 2012.

³ Regulation 36

 Contains specified provisions relating to the distribution of assets in the event of the body being dissolved or wound up.⁴

Depending on the legal entity, Healthwatch will need to comply with additional appropriate legislation, including the Companies Act (2006) and the Charities Act (2011), so we advise consideration is given to how your contract promotes this.

The National Council for Voluntary Organisations (NCVO) has a <u>checklist</u> setting out the compliance requirements for voluntary organisations. Further information on the various legal forms that organisations may take can be found at <u>National Council for Voluntary</u> Organisations (NCVO).

Put in place a contractual arrangement that covers all statutory activities

There must only be one contractual arrangement in a local authority area, and this must cover all the statutory activities as set out earlier in this guide.

Your contract or grant agreement will be with one provider or a lead provider if a consortium. Your Healthwatch provider may arrange for some (but not all) of the activities to be carried out by another organisation on their behalf. Your contract or grant agreement should reflect any sub-contracting arrangements, but overall responsibility for the discharge of the activities remains with the primary Healthwatch provider.

Use the correct naming convention for your Healthwatch

The law requires that each local Healthwatch must be named after the individual local authority area that it covers (i.e. Healthwatch plus name of local authority area). This ensures that people can identify with their own local Healthwatch and that the name remains consistent (and does not change, for example when providers change).

Where two or more local authorities jointly commission one provider for their Healthwatch, the individual Healthwatch names (and identity) must be retained. For example, if local authority A and local authority B jointly commission one provider, there must still be a Healthwatch A and Healthwatch B. Changing the name of the Healthwatch is not permitted.

Trademark licence

Local authorities must also make provision for the Healthwatch trademark licence.

Your contractual arrangement must require the Healthwatch provider to apply to Healthwatch England for the trademark licence. This allows the provider to use the Healthwatch Brand for your area.

⁴ Regulation 35(2) specifies that the provisions which must be included are ones which: (a) require that the residual assets of the body be distributed to those members of the body (if any) who are entitled to share in any distribution of assets on the dissolution or winding up of that body according to those members' rights and interests in that body; (b) in the case of a company not limited by guarantee and registered as a charity in England and Wales, provide that no member shall receive an amount which exceeds the paid up value of the shares which the member holds in the company; and (c) designate another social enterprise company to which any remaining residual assets of the body will be disturbed after any distribution to members of the body.

⁵ Section 222 (2A) Local Government and Public Involvement in Health Act 2007

What is the Healthwatch trademark licence?

As Healthwatch England is an independent statutory committee of the Care Quality Commission (CQC), legally CQC owns the trademark for the Healthwatch logo and text. Section 45D of the Health and Social Care Act 2008 gives Healthwatch England the discretion to grant a licence to Healthwatch providers to use the local Healthwatch name and logo when carrying out its statutory functions. The Healthwatch logo and text are both trademarked in the UK.

To operate under the Healthwatch brand, the Healthwatch provider must sign and abide by a trademark licence issued by Healthwatch England.

Before a trademark agreement is signed, Healthwatch England may need assurance from the local authority that contract specifications, contract terms and monitoring arrangements do not conflict with Healthwatch brand requirements. An example may be specifying arrangements which inadvertently impact on a Healthwatch's ability to act independently. We strongly advise you share your contract specification with Healthwatch England as early as possible.

A provider can apply for a trademark licence once your local authority has published the contract award and you have notified the successful provider (e.g. issued contract award/grant agreement letter). This enables the trademark licence to be in place when the contract starts, thus avoiding delay in using the brand. There is a different brand licence for local Healthwatch that subcontracts work associated with its statutory functions and powers, so you need to ensure they apply for the appropriate licence agreement.

If a Healthwatch provider holds contracts for multiple local Healthwatch, they will need to sign one agreement for each local authority area. This means they will need to have a separate contract and use separate logos for each local Healthwatch they manage.

What can the Healthwatch brand be used for?

The Healthwatch brand must only be used when carrying out activities prescribed in s.221(1) (the 'statutory activities'). The Healthwatch brand cannot be used for any additional work which is not classed as statutory activity or power. This does not preclude the provider from using the brand for activity funded by sources other than from local authority, provided such activity falls within s.221 (1) prescribed definitions.

Decision-making

Decision-making is an important test of a Healthwatch's ability to uphold its independence, integrity and accountability to the public. Local authorities must make provision for this and your contract or grant agreement will need to ensure Healthwatch

establish and publish procedures for its decision-making in relation to "relevant decisions". The procedures must include: ⁷

- Who can make decisions.
- How lay persons or volunteers can be involved in these decisions.
- How to deal with breaches of any procedure, including the circumstance in which a breach would be referred to the local authority.

The procedure for making decisions must be followed and published before any relevant decisions are made. After a relevant decision has been made, local authority arrangements must also require their Healthwatch to publish a written statement outlining what the decision is and the reasons why it was taken.⁸

We advise that your contract or grant agreement specifies that your Healthwatch publishes these procedures, decision-making processes, and minutes from meetings on their website to comply with requirements.

Any amendments to these procedures must be published as soon as practicable. Healthwatch are required to reports any breaches in procedures to the local authority.

Relevant decisions include:

- How to undertake Healthwatch activities.
- Which health and social care services Healthwatch cover with their activities.
- The amounts spent on Healthwatch activities.
- Whether to request information.
- Whether to make a report or a recommendation.
- Which premises to Enter and View and when those premises will be visited.
- Whether to refer a matter to an Overview and Scrutiny Committee.
- Whether to report a matter concerning Healthwatch activities to another person.
- Any decisions about subcontracting.

Local Healthwatch meetings, including board or advisory group meetings, must be open to the public where items on the agenda are considering and making decisions about their statutory activities.⁹

⁶ Regulation 40, The NHS Bodies and Local Authorities (Partnership Arrangements, Care Trusts, Public Health and Local Healthwatch) Regulations 2012

⁷ Regulation 40(4), The NHS Bodies and Local Authorities (Partnership Arrangements, Care Trusts, Public Health and Local Healthwatch) Regulations 2012

⁸ Regulation 40(1), The NHS Bodies and Local Authorities (Partnership Arrangements, Care Trusts, Public Health and Local Healthwatch) Regulations 2012

⁹ Section 1 and schedule 2 paragraph 1 to The Public Bodies (Admission to Meetings) Act 1960

Where you have a contract or grant agreement with an existing social enterprise to provide Healthwatch (i.e. operates under a hosted model), you will want to make sure there is transparency of decision-making between Healthwatch (e.g. Advisory Group) and the hosting organisation, and the arrangements for complying with the procedures set out above.

Involving lay people and volunteers

Local authority arrangements must also make provision for involving lay people and volunteers in Healthwatch decision-making and their activities, as defined in the regulations. ¹⁰ Careful consideration should be given to this requirement where Healthwatch operate under a hosted model and decision-making may be split between an Advisory Group and the Board of the hosting organisation.

A lay person is:

- Not a health or social care professional.
- Not an employee of a Healthwatch organisation.

A **volunteer** is an unpaid person (except for travel or other expenses) and is (a) a member or director of, or otherwise participates in the governance of the organisation or contractor (b) is engaged in carrying out relevant section 221 activities by that organisation or contractor.

It is also worth noting that conflicts of interest, potential or actual, are important factors in Healthwatch demonstrating independence and transparency. Your contract or grant agreement will need to reflect this by requiring, for example, conflicts of interest policy or a register of interest. Directors, trustees or advisory board members of Healthwatch must be capable of demonstrating how they manage any conflicts of interest that might arise from them having roles in other organisations that may be subject to challenge or scrutiny by Healthwatch. This is particularly the case for local council officers and councillors who serve on Boards or Advisory Groups.

Annual report

By law, every local Healthwatch must publish its annual report by 30 June each year, so your contract or grant agreement will need to specify this. The annual report outlines how Healthwatch have met their statutory responsibilities for the financial year that ended 31 March. Your specification, contract or grant agreement should require this and be part of your monitoring to ensure compliance. Healthwatch England produce guidance to Healthwatch providers on meeting requirements for producing an annual report.

The report must be prepared by the provider who has held the local Healthwatch contract in the relevant reporting period; regardless of whether they continue to hold the contract at the end of that period. Where the change of providers takes place partway through the financial year, all providers are required to contribute to the annual report.

¹⁰ Regulation 34 and 40(1)(g) The NHS Bodies and Local Authorities (Partnership Arrangements, Care Trusts, Public Health and Local Healthwatch) Regulations 2012

¹¹ Section 227 of the Local Government and Public Involvement in Health Act 2007.

The annual report must be made publicly available and a copy must be provided to each of the following:

- · Healthwatch England
- Your local authority
- NHS England
- Any clinical commissioning group which is wholly or partly in your local authority area
- Any overview and scrutiny committee of your local authority
- The Care Quality Commission

Data Protection and Freedom of Information

Healthwatch are considered 'public authorities' for the purposes of both data protection and freedom of information legislation.

Data Protection

On the 25th May 2018 the General Data Protection Regulation came into effect. Healthwatch must meet specific requirements because of its public role and local authorities need to make provision for the appointment of a Data Protection Officer who provides ongoing advice on compliance.

We advise that your contract/grant agreement makes it clear who will act as the data controller and sets out arrangements for the transfer of data between an existing provider and a new provider should there be a change in contracting arrangements.

Freedom of Information Act

Local Healthwatch are considered 'public authorities' for the purposes of the Freedom of Information Act 2000 and specifically included in this act, although only in respect of information held in connection with arrangements made under section 221(1) or arrangements made in pursuance of those arrangements. The Act provides the public a right to access information held by public bodies, unless certain exemptions apply. It also requires local Healthwatch to have a publication scheme in relation to their statutory activities. ¹² Our <u>Guide to Running a Healthwatch</u> includes an example published scheme which you could refer your Healthwatch to.

Additional key legislation which Healthwatch must follow

Healthwatch is subject to a wide range of other legislation, and we have identified some of the key areas below.

Safeguarding and vulnerable adults

As well as considering how local health and care organisation deal with safeguarding as part of their service provision, Healthwatch must also have appropriate policies and procedures in place to ensure safeguarding. Safeguarding Vulnerable Groups Act 2006, as amended by the Protection of Freedoms Act 2012, sets out regulated activity.

 $^{^{12}}$ Paragraph 35E Schedule 1 to the Freedom of Information Act 2000; Section 19 of the Freedom of Information Act 2000

Equality and human rights

Healthwatch have an important role in promoting and protecting equality and human rights for everyone who uses health and social care services. As a private body delivering public functions, Healthwatch are subject to the Public Sector Equality Duty as provided in the Equality Act 2010 and the State's obligations under the Human Rights Act 1998. We advise local authorities use their contract monitoring or grant agreement to ensure Healthwatch meet their public duties under the Equality Act, and are effective at reaching and working with protected characteristic groups and other seldom heard sections of their community.

Where to find additional information

Healthwatch England has produced <u>Guidance to Running a Healthwatch</u> for Healthwatch providers. This also details what their relationship and role is with various key stakeholders. Please email <u>enquiries@healthwatch.co.uk</u> to request of copy of this guidance.

The role of Healthwatch England

The legislation sets out the role of Healthwatch England which includes the following:

- Providing Healthwatch providers with general advice and assistance in the arrangements of and carrying out of the statutory activities.
- Making recommendations of a general nature to local authorities about the making of arrangements of the statutory activities.
- Giving written notice of Healthwatch England's opinion to local authorities where we have concern that the statutory activities are not being carried on properly.¹⁴
- Providing information and advice on the views of the people in relation to health or social care services and the views of local Healthwatch on improving standards to:
 - The Secretary of State
 - The NHS Commissioning Board
 - NHS Improvement
 - English Local Authorities
 - o Care Quality Commission
- Granting a licence to a Local Healthwatch organisation for the authorised use of the Healthwatch trademark.

¹³ Section 149 Equality Act 2000; Section 6 Human Rights Act 1998

¹⁴ Section 45A (4) of The Health and Social Care Act 2008 and section 181 (4) of the Health and Social Care Act 2012

Healthwatch England support to local authorities

Healthwatch England engages local authority officers involved with the commissioning of Healthwatch through regular regional events. We also provide guidance and information to individual local authorities (typically to officers working in commissioning, contract monitoring and procurement) on specification development and commissioning options. We do this on a confidential basis, acknowledging the commercially sensitive nature of some of the information that is shared with us. We strongly advise local authorities share their draft specifications with us as early as possible in order that we can ensure there is nothing that could conflict with the trademark licence terms and brand values.

Healthwatch England support to local Healthwatch

Healthwatch England provides local Healthwatch with a range of advice, information and resources to support them to deliver an effective Healthwatch service. The first port of call for a Healthwatch seeking advice is their Regional Manager. We also provide a range of guidance and resources through our network site, including our Guide to Running a Healthwatch, plus an online community where local Healthwatch and Healthwatch England can answer questions and share good practice.

Sharing information

The legislation (via one of their statutory activities) requires local Healthwatch to share their information with Healthwatch England to ensure that we can discharge our duties. Healthwatch England has arrangements in place to enable compliance by Healthwatch either through the provider using a CRM (database) provided and maintained by Healthwatch England or through the provider making their own arrangement and using Healthwatch England's import functionality.

Additional information to support local

Healthwatch Commissioning

This section sets out information for commissioners to use to when making decisions about funding, contract terms and procurement route. It draws on learning from our ongoing engagement with commissioners and the experience of providers of Healthwatch. We start with an explanation of the funding for Healthwatch.

Where does the funding for local Healthwatch come from?

Local authorities receive funding from central government in order to secure a local Healthwatch. There are two funding sources as follows:

- The Local Government Finance Settlement provides the majority of the funding central government makes available to local authorities. Nationally the £27 million baseline funding for Local Involvement Networks was carried forward to be used for local Healthwatch.
- The Local Reform and Community Voices Grant (LRCV) introduced in 2013/14 by the Department of Health and Social Care provides the second funding stream. This provides funding for the additional information and signposting activity that local Healthwatch took on following the disbandment of Primary Care Trusts and the Patient Advice and Liaison Service (PALS). Nationally the LRCV included £13.3 million for Healthwatch in 2013/14 and this has been uplifted in line with GDP growth since then. Each year the Department of Health and Social Care publishes the grant allocations in the Local Authority Social Services Letter (LASSL). The latest, and previous, LASSLs are on the DHSC website. 15

Healthwatch England provides a report on Healthwatch funding each year to the Secretary of State. The latest report can be found on Healthwatch England website.¹⁶

Healthwatch can generate additional income to their core local authority contract funding, for example, by carrying out commissioned work. If your contractual arrangement permits income to be generated in this way it must not be used to balance shortfalls in core funding. This is important as it could compromise the independence of Healthwatch in terms of setting their own priorities. Please note that the Healthwatch brand can only be used for work which falls within the defined s221(1) activities.

What should be considered when assessing the funding level for the contract or grant agreement?

Healthwatch England has set out the key ingredients of running an effective Healthwatch in a new Quality Framework. This has been developed with providers and commissioners of

¹⁵ Department of Health and Social Care. 2019. Adult personal social services: revenue funding 2019 to 2020. Available from: https://www.gov.uk/government/publications/adult-personal-social-services-revenue-funding-2019-to-2020

¹⁶ Healthwatch England. 2020. State of Support - local Healthwatch finances 2019-20. Available from: https://www.healthwatch.co.uk/report/2020-02-18/state-support-local-healthwatch-finances-201920

Healthwatch and draws on learning from the network over the last five years of operation. You can use this as a basis for thinking through the funding allocated to Healthwatch.

This learning has identified some key areas:

- The 'value' of good leadership and the skills and expertise needed to work
 effectively with partners and stakeholders, to build trusting relationships and to
 help create the conditions to influence change. Attracting and retaining competent
 and influential chief officers is a key factor when considering the budget made
 available to Healthwatch. Healthwatch need to be able to offer competitive
 salaries.
- Local demographics, geography, population density, levels of deprivation and the
 wider determinants of health and how they impact on the level and focus of local
 Healthwatch activity. For example, local Healthwatch operating in rural areas
 (perhaps with restricted internet access) may have greater challenges in reaching
 people so require additional resources.
- Assessing the strength of the local voluntary and community sector and the extent to which local Healthwatch can work with these organisations to build their capacity to engage and listen to people.
- Understanding the extent to which the level of advocacy provision in an area impacts on the capacity of local Healthwatch to deliver their core Healthwatch activities (particularly relevant where local Healthwatch also delivers Independent Health Complaints Advocacy IHCA). Healthwatch England does not provide support for IHCA but we would raise concerns if it impacted on Healthwatch activity.

You may look to use comparators such as funding per head of population, but this is a crude measure which can often mask important local factors in other areas such as local demographics, capacity building through the local voluntary and community sector and additional support that the local authority may be providing (in kind or otherwise).

What should the length of the contract or grant agreement look like?

Contract length is a local decision and will take account of factors such as financial plans, local market and procurement strategies.

However, Healthwatch must be able to plan effectively and prioritise issues to bring about change. Longer contracts allow Healthwatch to focus on its impact on the health and care system, where change can typically take years rather than months to evidence. Local authorities should consider whether contract terms allow providers to fulfil this.

Moreover, longer contracts help attract high calibre staff, promote stability and staff retention, in turn enabling providers to build up effective and influential teams. Local Healthwatch teams are typically small so the impact of losing staff can be significant.

A longer contract also allows Healthwatch chief officers to build those important trusting relationships with their counterparts, e.g. chief executives of NHS trusts, CCGs and local authority Directors of Social Care, Directors of Public Health and cabinet members.

What determines whether, and when, to go out to competitive tender?

Each local authority will need to reach a decision about securing a provider for their Healthwatch and will be informed by Procurement law, local procurement strategies, financial standing orders and so on. Decisions are likely to be informed by factors such as:

- Current performance against contract or grant agreement.
- Local market availability, capacity and capability.
- Resources required to go out to competitive tender and expected outcome.
- Capacity of potential bidders (who are likely to be small social enterprises) to bid for tenders.
- Risk of losing the goodwill, knowledge and expertise built up over years in the event of a change in provider.
- Transition between one provider to a new one and time to re-establish the Healthwatch workplan and activity.

While the majority of Healthwatch contracts are procured using open or restricted procedures, increasing numbers of local authorities have used (or are considering) other options such as a single supplier negotiated procedure.

How to support a smooth transition between providers when a contract changes hand

Local authorities should ensure their contract or grant agreement supports a smooth and effective transition by including clear provisions in line with our guide When a Healthwatch changes provider. For example, making sure that resources, website, social channels, data and insight are transferred to a new provider. This will ensure a continuous and uninterrupted Healthwatch service for the public.

The trademark licence terminates when the contract between the local authority and the Healthwatch provider ends and the provider is no longer able to use the Healthwatch brand thereafter. If the outgoing provider's legal company name includes 'Healthwatch' they can technically remain in business, but cannot use the Healthwatch brand, which must solely be used by the incoming provider. However, such a situation could confuse members of the public and stakeholders, so we strongly advise making arrangements that prevent this.

Reporting a break in service

If there is a risk that a break in service may occur, the local authority **must notify Healthwatch England as soon as possible** so that we can advise how to manage this. Healthwatch England is required to inform the Department of Health and Social Care.

Selecting the most economically advantageous tender: striking the balance between price and quality

Determining the evaluation criteria for a procurement exercise is something you will likely be involved with. The ongoing pressures on local government finances may mean that 'price' will feature highly in the decision about how to set the price/quality ratio. However, it is clear that the effectiveness of Healthwatch is dependent on several factors such as strong leadership, effective staff teams, a strong volunteering base, good governance, credible evidence/information and quality of local relationships. All of which contribute to the quality of delivery and ability to influence.

How you reflect the value you give to 'quality' will need careful consideration. If price is the distinguishing feature in a competitive process, then it is important to ask questions that will help you to determine whether the price will compromise effectiveness or ability to influence.

For instance, consider a provider's ability to manage multiple Healthwatch contracts - do they have enough management capacity to allow leadership and influence across all individual areas? What is their reserves position? What is the view of the other local authorities who contract with them? Is there any dependent risk arising from potential future changes in other Healthwatch contracts that they manage? There are benefits and risks associated with multiple providers - what is important is identifying and mitigating them.

Good governance, independence and transparency

Good governance within a local Healthwatch is vital. With such a wide remit, limited resources and a requirement to demonstrate independence, your Healthwatch must be transparent in the way it makes decisions and operates.

This is not only a legal requirement under both Healthwatch legislation and the Freedom of Information Act, but also one aspect of the Nolan principles of public life:¹⁷

"Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing."

Good governance ensures the organisation is legally compliant, well run and efficient with a clear strategic direction and focused on making a difference. It is important for building credibility when representing and promoting the views of people who use health and care services.

Promoting Healthwatch independence and decision-making

In line with the legislation and regulations, **specifications and contracts should not compromise the independence or ability of Healthwatch to make decisions** - something that Healthwatch England takes into consideration when issuing the trademark licence.

Healthwatch must be able to determine their own priorities and workplan and therefore, specifications should not prescribe what issues Healthwatch should address, nor require Enter and View activity. A good local Healthwatch will be able to demonstrate how they use local information to determine their priorities as part of their work plan.

Careful consideration should be given to decision-making for Healthwatch which operate under a 'hosted' model, where its crucial to have clarity of roles and responsibilities, including setting out arrangements for delegated authority to an advisory board.

Involvement of lay people and volunteers

Healthwatch are required to involve lay people and volunteers in their governance and decision-making arrangements. It is important that such arrangements are transparent so that a member of the public can understand how these conditions are met.

 $^{^{17}}$ $\underline{\text{https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life-1}$

Financial reporting

As Healthwatch are in receipt of public funds, they will be required to account for their income and expenditure - something reinforced by the Information Commissioner's model publication scheme, which sets out a checklist of information to support compliance with the Freedom of Information Act.

Healthwatch England provides a financial reporting template as part of the annual report.

Collaboration between Healthwatch

Specifications and contracts should allow and encourage collaboration between Healthwatch. There are several reasons why Healthwatch will want to collaborate with each other, including work relating to services for local people which operate from an area served by another Healthwatch and sharing best practice and learning.

Collaboration and co-ordination may also be required for the benefit of the local population where Integrated Care Systems cover an area comprising several Healthwatch. The role of Healthwatch will be to:

- Promote the involvement of local people in health and care planning decisions.
- Provide information to people about services and proposed changes.
- Use their evidence (the voice of local people) to influence decision makers.
- Monitor the quality of communications, engagement and consultation.

A note on conflicts of interest

People involved in Healthwatch may be involved in other activities or have personal interests which create, or appear to show, a conflict of interest with their Healthwatch duties. It is therefore essential that every local Healthwatch has a transparent conflicts of interest policy publicly available and can demonstrate how they manage such conflicts.

Rules for Independent Health Complaints Advocacy contracts

Local authorities have a duty to commission an Independent Health Complaints Advocacy (IHCA) service. The relationship between local Healthwatch (and if separately provided) the IHCA provider is very important, as the information they gather, and share with each other, contributes to the wider picture of people's experience of NHS services. Your contracts for each of these services should encourage them to build a good relationship and share relevant intelligence.

Holders of a local Healthwatch contract can bid for an IHCA contract. However, if the IHCA contract is not awarded to the local Healthwatch provider, the IHCA provider must not subcontract any of the IHCA activities to the local Healthwatch.

Although the Healthwatch brand can be used to make local people aware of advocacy services (for example, by having information about a service on a Healthwatch website) the Healthwatch brand guidelines and licence does not allow for an advocacy service to call itself 'Healthwatch Advocacy'.

The Local Government Association recommends that providers and commissioners adopt the common term 'Independent Health Complaints Advocacy' for their service. This is a recommendation that Healthwatch England supports to help avoid public confusion.

Healthwatch Quality Framework

During the consultation for Healthwatch England's strategy in 2018 local Healthwatch asked Healthwatch England to explore how we can best support Healthwatch to demonstrate their effectiveness. Commissioners were similarly interested in what makes Healthwatch effective, so they could incorporate good practice into their specifications, contracts or grant agreements.

In response, we developed a Healthwatch Quality Framework to provide a shared understanding between Healthwatch providers, local authority commissioners and Healthwatch England of the key ingredients of an effective Healthwatch.

During September 2019 over sixty local authority commissioners attended regional workshops where there was overwhelming support for the Quality Framework, plus a commitment to use it as part of commissioning and ongoing monitoring of Healthwatch contracts or grant agreements. They particularly like how it assisted with providing an understanding of factors which drive and impact on effectiveness and how Healthwatch could be best supported.

We piloted the Quality Framework with thirty Healthwatch during March 2020 and are rolling it out to all Healthwatch. We expect by the end of March 2021 every Healthwatch to have committed to complete a self-assessment.

How the Quality Framework can be used

The Quality Framework can be used by:

- Local authorities to inform the commissioning of an effective Healthwatch. They can also use it with Healthwatch providers as part of their contract monitoring arrangements.
- **Healthwatch providers** to analyse their effectiveness and what's working well, where they have particular challenges, what they can do to improve and what may be outside their control. The focus is on learning to make Healthwatch as effective as it can be.
- Healthwatch England to provide assurance of an individual Healthwatch
 effectiveness and to identify how we can best support them, as well as using the
 collective analysis of all the Quality Frameworks to inform how we target our
 resources to best support all Healthwatch.

How can it help me as a commissioner?

- The Quality Framework helps you to see what it takes overall to run an effective Healthwatch by taking a whole organisation approach, rather than simply focusing on the delivery of statutory activities.
- It supports you to discharge your duty to report on the effectiveness of your contractual arrangement.
- The Quality Framework explains why different aspects of running Healthwatch are important, which in turn gives you information that you can use to inform options papers/reports on future commissioning (making the case).
- It helps you to think through the implications, for example of governance arrangements and decision-making, in different delivery models.

How you use the Quality Framework depends on where you are in the commissioning cycle, here is an example.



What does the Quality Framework look like?

The Quality Framework is made up of six domains and includes a series of questions and prompts that you can use to understand and evidence effectiveness.

The six domains are:

- Leadership and Governance acknowledges the importance of having clear goals and a rationale for Healthwatch work priorities, which is vital given their wide remit and challenging resources. Strong leadership and governance help Healthwatch navigate a complex environment while maintaining their independence and accountability.
- **People** recognises the key resource of Healthwatch: its Board/Advisory group members, staff and volunteers who need the right knowledge, skills and support to deliver an effective, consistent Healthwatch service.
- Sustainability and Resilience focuses on a business model that enables Healthwatch to plan and operate effectively, as well as adapt to the changing needs of the local population.
- Collaboration recognises the value of working collaboratively and in partnership, and of learning from other Healthwatch for the benefit of the people served by the local Healthwatch.
- Engagement, Involvement and Reach focuses on the main statutory activities: how Healthwatch go about reaching out to all sections of the local community,

gathering people's views, providing advice and information and involving people in their work.

• Influence and Impact focuses on the Healthwatch purpose: the difference they make by ensuring those in charge of health and care services hear people's voices and that their views shape the support they need.

We have developed a 'Quality Framework on a page' which sets out the six domains and associated questions (see next page). The full Quality Framework, which Healthwatch use for their individual self-assessment, is set out in an Excel Spreadsheet and includes prompts and examples of evidence for each question. Please contact the <u>Regional Manager</u> for your region for more information.

Quality Framework on a page				
Context	Healthwatch are operating in very different environments and this will affect their ability to make a difference for local people.			
	Leadership and decision-making			
	What is your approach to strategy and business planning? What is your approach to the decision-making process? How do you demonstrate your independence and your ability to hold health and social care services to account? How would you describe your governance processes?	How does the Board/Advisory group oversee your effectiveness and management of resources? How does your Healthwatch approach safeguarding, confidentiality and data security? What is your approach to your equality duty?		
Enablers	People	Sustainability and resilience		
	How do you ensure staff and volunteers understand your approach and what people should except from you? To what extent to people understand their roles and responsibilities in the organisation and feel supported and valued? How do you induct, recruit, support and develop your staff? To what extent to volunteers feel supported, valued and involved in your work?	How do you understand and influence the commissioning process? How do you develop and sustain relationships with key individuals? How do you monitor your finances? How do you consider potential changes in relation to your sustainability? How do you provide a suitable working environment for staff and volunteers? If you generate additional income, how do you plan, manage and account for it?		
	Collaboration			
Approach	How do you prioritise and work with key local and regional partners?	How do you collaborate with other Healthwatch? How do you work with Healthwatch England and CQC?		
	Engagement, involvement and reach			
Core work	How do you understand, prioritise and reach different sections of your community? How do you gather the views of local people?	How do you involve local people in the work of Healthwatch and support partners to involve local people? How do you provide local people with the Healthwatch statutory advice and information they need to navigate and access health and social care services?		
	Influence and impact			
Purpose To what extent are you a known and trusted as a credible voice on behalf of local people? To what extent would stakeholders in the local health and care system recognise Healthwatch as a system leader and credible partner? How to do help local people and stakeholders understand what Healthwatch does and the value you bring? How do you know whether you've had an impact?				

	How can I use the Quality Framework to commission Healthwatch?					
	Domain					
Commissioning stage	Leadership and decision making	People	Sustainability	Collaboration	Engagement, Involvement and Reach	Influence and impact
Researching options, deciding procurement route	Will you take an individual or joint approach to commissioning your Healthwatch? How does this relate to local decisionmaking with priorities that reflect your local area?	How much funding will you allocate? Staff costs are the largest proportion of a Healthwatch budget.	Contract or grant agreement? Competitive tender or another route (direct award etc)?	Will your Healthwatch need to work collaboratively with other Healthwatch across wider footprints, e.g. Sustainability and Transformation Partnerships footprints or Integrated Care Systems.	Do you have particularly hard to reach communities and how will Healthwatch engage with people, including those from groups with protected characteristics?	Helps identify key stakeholders and relationships that Healthwatch may want to build.
Writing specification	Highlights transition planning, particularly around data transfer.	Highlights the importance of people and volunteer recruitment, training and investment.	Contract length/terms that supports sustainability, resilience and stability.	Integrated Care structures implications. Work with IHCA providers.	Make sure statutory activities are covered and you know what it takes to deliver effectively.	Clear about what is needed to make a difference and have impact.
Setting evaluation criteria/questions	Write questions to assess bids from multiple Healthwatch providers. E.g. to explore leadership, capacity, governance and setting priorities	Identify approach to volunteer recruitment, management and retention.	Support 'due diligence' to check capacity - are they flexible to adapt to a changing health and social care environment or running a social enterprise.	Approach to working with other Healthwatch in wider footprints and how they will manage local views against wider priorities.	How will your 'team' enable you to deliver on all the statutory Healthwatch activities?	Identify how they will plan work for outcomes and understand how they will make a difference.

	that reflect local areas.		Approach to monitoring finances and transparency.			
Contract monitoring including outcomes	Use questions to construct outcome focused indicators.					
Ongoing contract meetings	Use Quality Framework as the basis for monitoring meetings. Opportunity to focus and reflect on the wider aspects of running an effective Healthwatch (and organisation).					



How has it been used so far?

Healthwatch have used it as part of their annual review and business planning process, bringing together Board/Advisory group members, staff and volunteers to reflect on and celebrate their effectiveness and identify areas for improvement. Others used the opportunity of a new contract to think about what they need to put in place to be effective.

There are Healthwatch who have met with their local authority commissioners to use it as part of their contract monitoring process.

Some commissioners have specified the use of the Quality Framework in new contracts, having heard our plans for full rollout in 2020/21.

From 2020/21 we are keen to share examples of how local authorities are using the Quality Framework. Please get in touch if you would like to contribute a case study.



Appendices

Appendix 1: Healthwatch specification, contract or grant agreement checklist

- Local authorities are required to make contractual arrangements with a social enterprise for the provision of Healthwatch statutory activities in their area.
- This table sets out key aspects of Healthwatch and how this relates to a specification, contract or grant agreement. Please note this is not an exhaustive list and may change as our guidance is updated.

Apsect of Healthwatch provision	Checklist
Set up	
Contracting with a social enterprise.	Set out in governing document (Memorandum and Articles; constitution). Most Healthwatch providers are companies limited by guarantee with charitable status; Community Interest Companies or Charitable Incorporated Organisations. Requirement for provider to state legal entity on Healthwatch website (e.g. Company name, number and registered address).
Provision of s 221 statutory activities.	Set out full list of s 221 statutory activities in contract/tender specification. Link to outcomes. Includes requirement to provide Healthwatch England with the intelligence and insight we need to perform effectively.
Healthwatch England issues a trademark licence to Healthwatch provider.	Provider must meet and operate under terms of trademark licence.
Sub-contracting of Healthwatch functions and ensure that sub-contractors operate under the Healthwatch England trademark licence and terms.	See above.
Public function requirements	
GDPR obligations, including appointment of a Data Protection Officer. Provider to register with ICO and notify about Healthwatch functions.	Contract. We recommend stating who is the data controller.
Freedom of Information Act.	Contract confirms that Healthwatch themselves can be subject to FOI requests. Contract terms ensure Healthwatch meets obligations for Information Commissioner's publication scheme in relation to their statutory activities.



Public sector equality duty.	Contract confirms that Healthwatch has a duty under the Equality Act 2010 and the State's obligations under the Human Rights Act 1998. Contract terms ensure Healthwatch meet their public duties under the Equality Act and are effective at reaching and working with protected characteristic groups and other seldom heard sections of their community.
Operate to Nolan principles.	Contract stipulates this.
Operate in compliance with legislation and regulations.	Refer potential providers to Healthwatch England's A Guide to Running a Healthwatch.
Transparency: decision-making	
Healthwatch publishes its decision-making policy for making relevant decisions.	Contract stipulates publication of decision-making policy on website. Contract mentions adherence to Guide to Running a Healthwatch, for example: Involvement of lay people and volunteers Holding meetings in public Spending Priorities and process for arriving at them Requirement for Healthwatch to publish minutes of meetings on its website. Provider to report any breaches in decision-making procedures to the local authority. Transparency on income and expenditure under the Healthwatch brand.
Enter and View	
Discretionary power of entry with certain requirements.	Contracts should not stipulate requirements to deliver Enter and View. This is because Enter and View is a method for gathering information rather than a statutory Healthwatch activity. Healthwatch should use their decision-making process to determine whether they deploy their Enter and View powers. Contract stipulates provider adheres to legal requirements on Enter and View and follows Healthwatch England guidance.
Policies	
Conflict of interest	Requirement for Healthwatch to have policy and maintain a register on its website.
Other key policies in place.	Safeguarding, Confidentiality and Data Protection and Security. Cyber security (websites, emails etc.)
Other considerations	

¹⁸ Section 149 Equality Act 2000; Section 6 Human Rights Act 1998



Independence of voice and action. This is core to Healthwatch in terms of their decision-making, representing views and making reports and recommendations to health and care providers.	Consider whether contract terms prevent Healthwatch acting independently.
Independent Health Complaint Advocacy (if your contract also includes provision of Independent Health Complaints Advocacy).	Contract makes clear that Healthwatch and IHCA are separate and that provision of IHCA does not infringe Healthwatch England brand guidance. Clarity about budget for Healthwatch and IHCA to enable providers to meet the requirement to report on finance in their annual report.
Transition arrangements	Contract facilitates an effective transition between providers by setting out requirements on the provider at the beginning and the end of a contract. See details in our guide When a Healthwatch changes provider.
Multiple providers	Consider due diligence to ensure provider has sufficient management capacity, reserves and governance arrangements to support effective delivery of Healthwatch.

Appendix 2: When a Healthwatch changes provider guidance Read the guidance.

Appendix 3: Example outcomes and monitoring frameworks based on the Quality Framework

Anonymised example one - section from local authority monitoring documentation

No.	Outcome	Measure or delivery method	Healthwatch England Quality Framework
A1	Evidence of health and social care issues is brought together from the diversity of local networks. It has a focus on partnership, outreach, networking and relationship building in order to harness local issues to inform the strategic priorities of the organisation.	Issues themed and shared with local partners to consider for forward planning Healthwatch strategic priorities. Link with issues raised in JSNA and Health and Wellbeing Board priorities.	Leadership and Decision Making (L&DM) - What is their approach to the decision-making process? L&DM - Stakeholders recognise Healthwatch as a system leader and credible partner? L&DM - Approach to strategy and business planning? Collaboration (C) - How have they prioritised and worked with key local partners? C - How have they collaborated with other Healthwatch? C - Other useful partnerships that help people achieve outcomes.



			Influence and Impact (I&I) - How do you know when, who and how to influence and challenge effectively? I&I - How to design and plan work for outcomes and strategic impact and consider changes in priorities?
A2	People are aware of the signposting service and can access appropriate information, advice and advocacy and helped to find out about choices available.	Number of contacts with people each month broken down by method/media. For example, face-to-face, telephone or social media.	Engagement, Involvement and Reach (E,I &R) - How have they supported local people to have their say? EI&R - How have they provided local people with the information they need to navigate and access health and social care services?
A3	Health and social care services are influenced by the views and aspirations of local people, coordinated by local Healthwatch.	Case studies of local Healthwatch initiatives that have had a direct impact on local health and care service development are illustrated through governance reporting.	People - How does your team enable you to deliver on each of the statutory activities? I&I - To what extent are you known and trusted as a credible voice on behalf of local people? I&I - How do you know when, who and how to influence and challenge effectively. I&I - When you challenge, how do you ensure work is evidence-based, quality assured, reviewed and evaluated? I&I - How do you know when you've had an impact? I&I - How do you capture and share your impact/outcomes?
A4	Reports and information to accountable bodies are delivered to professional standards. Health and Wellbeing Board members view reports as credible and influential.	Evidence of members views collected through survey of Health and Wellbeing Board members to confirm standards of input from local Healthwatch.	L&DM - Stakeholders recognise Healthwatch as a system leader? L&DM - Demonstrate independence and ability to hold health and social care services to account. L&DM - Describe your governance processes. L&DM - Board oversee effectiveness and management of resources. P - Clear plan setting out people needed to achieve outcomes. P - Staff understand their roles and feel supported and valued. l&I - How do you capture and share impact and outcomes?



Sustainability and Resilience (S&R) - Core contract, reporting outcomes and develop relationships.
S&R - Monitor finances.
S&R - Manage data resources.
S&R - Plan, manage and accounts for additional income.

Anonymised example two - local authority outcomes monitoring framework

Outcome	Key processes
People and stakeholders understand rationale for selection of Healthwatch X priorities and how they make the biggest difference for residents. Leadership and decisionmaking, and Impact and influence Quality Framework Domains.	 Key documents published on website: Decision-making procedure Workplan that sets out key priorities and activities for 2019/20
Local people and volunteers have meaningful opportunities and feel supported to be involved with Healthwatch X decision-making. Leadership and decision-making Quality Framework domains.	Decision-making procedure published on website describing the methods employed to involve people.
Local communities, including seldom heard groups, feel they are listened to and that their views have been shared with and influenced local health and care services. Engagement Quality Framework domain.	Communications and engagement plan developed to include specific methods to reach into seldom heard groups and reflects the Public Sector Equalities duties for local Healthwatch. Robust and ethical methodology for engagement and gathering views.
Stakeholders, in particular health and social care commissioners and providers, value the work of Healthwatch and act on their recommendations. Influence and impact Quality Framework domain.	Healthwatch X has credible evidence base. Stakeholders mapped and used to inform work priorities, associated engagement plan and development of a stakeholder survey. Quarterly monitoring reports describe outcomes arising from their work, including holding organisations to account and acting as a critical friend.



People understand how their views are used by Healthwatch X to shape services. Influence and impact domain.	Websites, newsletters and events demonstrate the difference Healthwatch X has made as a result of users sharing their views.
People using Healthwatch X advice and information service, including those who are seldom heard, get the information they need to make choices about accessing health and social care services, when they need it and in a format that meets their needs (in line with their equality duty). Engagement Quality Framework domain.	Healthwatch X has mapped local advice and signposting services for referral purposes. Website updated with key information for residents on health and social care (building on and complementing other organisations' information and advice services) and holding up-to-date Healthwatch X reports, information and work programme.
Healthwatch X uses intelligence from its advice and signposting service to inform commissioners and providers to improve services. Engagement Quality Framework domain.	Case studies developed for commissioners and providers and published on website.
Healthwatch X contributes to the increased confidence and ability of people to influence the local health and care system. Engagement, involvement and reach Quality Framework domain.	Evidence that training, briefings etc. are available to support the development of local people and/or volunteers.
Healthwatch X encourages and enables local commissioners and providers of health and social care services to engage the public. Engagement, involvement and reach Quality Framework.	Events programme developed to provide opportunities for commissioners and providers of services to engage with the public.