Fit for the future

Rethinking how we're funded and commissioned

September 2024

About

For the past ten years, Healthwatch has been harnessing the voices of patients and service users to help improve care.

However, faced with rising demand and limited resources, we have been assessing the challenges and potential solutions to ensure we continue making the greatest difference to our communities.

This briefing explains our role, challenges, and potential options for addressing them. Our recommendation is that the Government:

1. Review Healthwatch
2. Appoint Healthwatch England as the commissioner of local Healthwatch services
3. Restore Healthwatch funding to 2019 levels

Better care requires a powerful, independent champion

Listening and acting on patients' views is the key to unlocking better care. It warns services about risks and provides the insight managers need to make better decisions to improve safety and the quality of care.

Ten years ago, Healthwatch was established with a simple but powerful purpose: to ensure people's experiences shape the health and care services they rely on, and ensure their feedback leads to real, positive change.

How our role is unique

- Our remit covers every health and care service.
- We work nationally and provide a service in every community.
- Our statutory powers ensure that the voices of patients are heard.
- Our independence allows us to work effectively with the Government, the NHS, and the third sector to bring about change.

As the independent public champion, Healthwatch offers everyone the chance to share their experiences, especially those who often feel unheard or fear repercussions for speaking out.

Rooted in local communities, our staff and volunteers have helped millions share their stories and access vital advice. This deep community connection gives Healthwatch unrivalled insight into people's challenges, especially those affected by inequalities.

By bringing these impartial perspectives to those in power, Healthwatch drives care quality, shared decision-making, and safety improvements, while holding the system accountable when it falls short.

Achieving change

Identifying gaps, addressing inequalities

Local Healthwatch is crucial in spotting and addressing local health inequalities. For example:

- Our work in Coventry led to earlier maternity support for pregnant refugees, with new direct referral routes and improved translation support.
- In Milton Keynes, we ensured that more deaf patients could get their legal right to accessible health information.
- In Sefton, we helped extend the appointment times in phlebotomy services to support people with learning disabilities better.

National action, local change

Collectively, our work helps drive national policy changes and local improvements by gathering and amplifying the voices of communities. Stories like Lydia's from Somerset, who faced severe pain due to a lack of affordable dental care, fuelled local and national pressure that led to increased government funding.

- NHS England required all dentists to update their records to clarify when they were taking on NHS patients so that more people could find a dentist.
- Collaboration between local Healthwatch resulted in investments across the North East and informed local dental strategies across England. New initiatives included mobile dental units in the Isle of Wight and Norfolk, and a £100,000 oral health program in Leeds.

Taking stock of the challenges

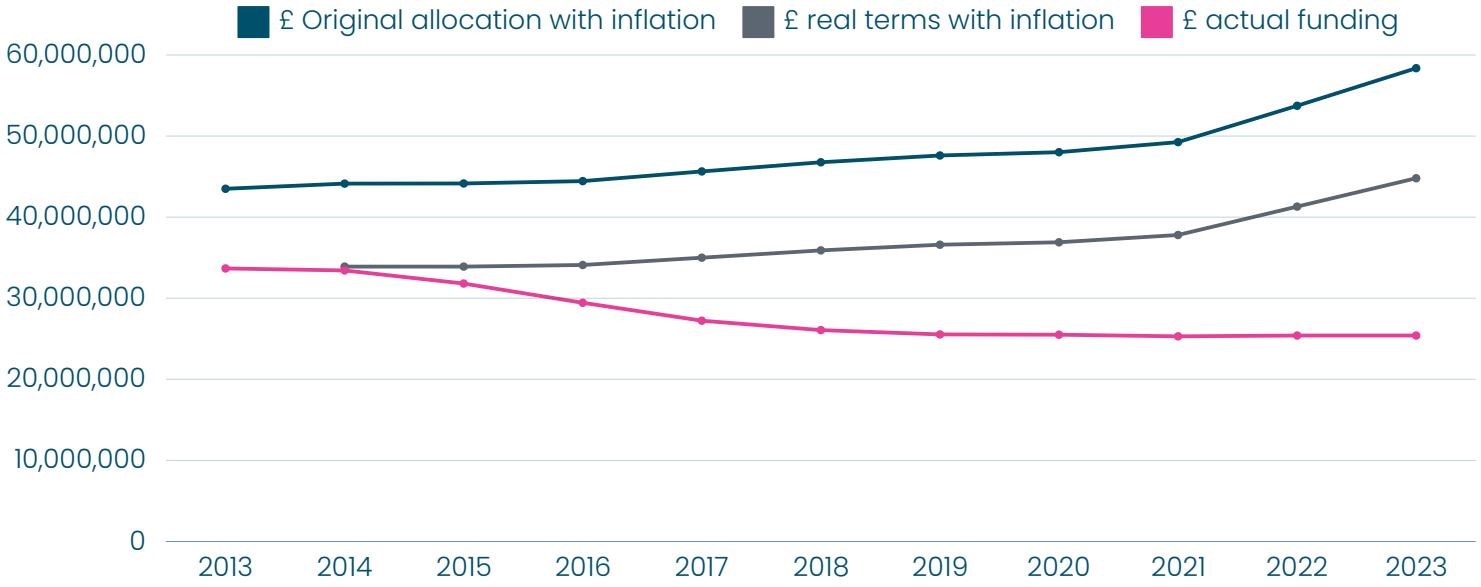
1 - Funding

Despite our growing impact nationally, regionally, and locally, escalating challenges threaten our long-term sustainability. If unaddressed, we believe many local Healthwatch services will no longer be viable within a few years.

The funding that 153 local Healthwatch receives has fallen from £33.2m in 2013-14 to £25.5m in 2023-24. In real terms, budgets have plummeted to just 43% of 2013-14 levels.

The impact on specific local Healthwatch services is even more significant:

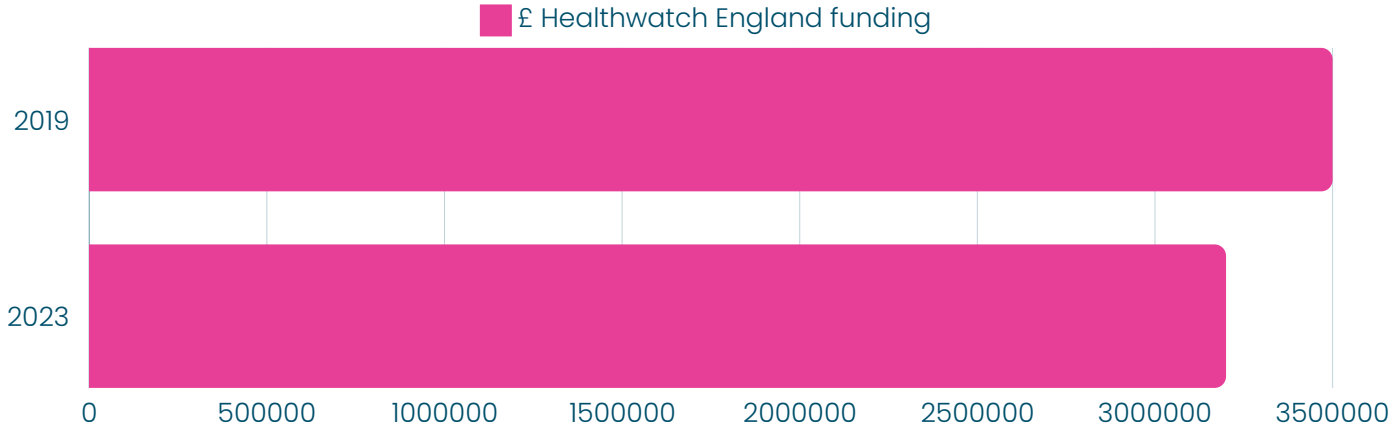
- 12 local Healthwatch now get at least 50% less funding than initially allocated.
- 23 local Healthwatch operate on budgets of £100,000 or less, often with only two or fewer full-time staff.



The National Audit Office highlighted the lack of transparency and the risk posed by non-ringfenced funding as jeopardising the policy intention of the Department of Health and Social Care and Healthwatch's ability to perform its statutory duties.

These financial strains and time-consuming and non-competitive retendering processes lead to instability that undermines long-term planning, contributes to higher staff turnover, and diminishes our overall impact.

Healthwatch England's funding has also decreased over the past four years. This has happened at a time when more local Healthwatch services, especially those facing severe budget cuts, need support to overcome their challenges.



Restoring investment in the Healthwatch network to the 2019 funding level of £36 million would enable us to effectively meet demand from the public and the NHS. It would also allow us to do more to help address health inequalities and improve health and care outcomes.

How our funding breaks down		
Local Healthwatch	Local Reform and Community Voices Grant	£14,100,000
	Local Government Financial Settlement	£11,400,000
	Total	£25,500,00
Healthwatch England	Grant from Government	£3,200,000
	Total	**£28,700,000**

Our resources could be more effectively utilised if Healthwatch funding were managed as a single, transparent funding stream.

2 – Inefficiency and variation

An independent King's College study of local Healthwatch reflects Healthwatch England's findings. The report found significant variations among local Healthwatch in operational scale, stakeholder relationships, and income.

The infrastructure established by legislation has resulted in inconsistent methodologies and standards. This means that the service the public gets can vary in some areas and limits our national impact. For example, only two-thirds of the country currently shares the real-time patient experience data with us that policymakers greatly value.

Healthwatch England has introduced a quality framework, invested in supporting services with data collection, and worked with local Healthwatch in numerous areas to improve quality and increase impact.

However, these initiatives rely on voluntary adoption, with no mechanism to ensure compliance. Additionally, local authority commissioners responsible for providing effective local Healthwatch services for their community often lack the time, knowledge and funding to address performance issues and drive improvements.

A different, more centralised approach to commissioning would quickly iron out the variation we face, reduce duplication of effort by local authorities, and increase efficiency.

3 - Operating at an Integrated Care System level

Healthwatch has encountered new challenges since Integrated Care Systems (ICSs) came into being. ICSs did not exist when Parliament established Healthwatch.

With local Healthwatch now needing to operate locally and at the system level, NHS England recognises Healthwatch needs additional regional and national funding for this expanded role. Although some ICSs have increased funding, the support must be consistent. In 2023-24, 16 of 42 ICS areas offered no additional funding to local Healthwatch to support public engagement in their areas.

The Health and Care Select Committee has recommended a review of Healthwatch funding and commissioning to ensure their effective engagement within the new ICS structure.

The consequences of inaction

Last year, Healthwatch supported over one and a half million people to share their experience of care or access the advice they need. The insight that people shared with us led to big and small changes to improve health and care.

If local Healthwatch services are allowed to shrink beyond viability:

- Who will provide the advice that helps patients understand their rights and navigate local services?
- Who will support those overlooked or ignored by the system to be heard?
- Who will work with local decision-makers to understand the needs of their communities, find solutions and hold them to account when they don't act?

A vision for the future

The Government wants to reform the NHS to give more power to patients. We believe that making changes so we can make the most of our resources needs to be part of these reforms.

Reforming the funding and commissioning structure of Healthwatch could unlock significant benefits for patients and the health and care system at the national, ICS and local levels.

Four potential options

With the help of an independent agency, local Heathwatch, local councils and health and care stakeholders, we have explored various ways to address the challenges and opportunities facing the Healthwatch network.

This discussion has identified four potential options for improving the Healthwatch model. Some options require primary legislation, while others require regulation or changes within the existing framework. Each proposal has its own merits and challenges.

All the options would move us from a position where local authorities are solely responsible for commissioning an effective Healthwatch.

1. Healthwatch England would become the national commissioner for local Healthwatch services, which are run by not-for-profit providers. Local stakeholders would offer support as strategic partners.
2. Integrated Care Boards commission local Healthwatch services for their area. Healthwatch England would be responsible for quality assurance.
3. Healthwatch England directly employs local Healthwatch staff and runs local Healthwatch services, with local stakeholders offering support as strategic partners.
4. Local authorities remain as commissioners, with Healthwatch England responsible for quality assurance.

Where next?

The Healthwatch model is still working, but requires adjustment to meet the opportunities and challenges of the next decade.

However, this is more than just a fix. It's an opportunity to enable our dedicated staff and volunteers to do even more by removing the barriers we face. The Healthwatch model requires reform due to inadequate funding, variation in quality, and the changing ICS landscape.

After evaluating multiple options, Healthwatch England concludes that the most effective path forward is for us to become the commissioner of local Healthwatch services, but with local authorities retaining a pivotal role.

This approach would retain the benefits of localism while improving service quality, efficiency and impact. It will also ensure that, during a critical period, we can make the greatest difference.

Restoring our funding to 2019 levels would enable us to do even more. With the NHS confronting challenges on every front and preparing to enter a period of reform, it is crucial to have an independent advocate to ensure the future system meets the public's needs.

Changes to legislation to improve our commissioning and funding approach would also allow for other changes that would strengthen patients' voices.

One key measure would be introducing a duty for health and care bodies to inform patients and the public about how they can share their care experiences, views and ideas. This would increase the insight available to health and care services, and amplify Healthwatch's impact at local, ICS, and national levels.

England has long been a global leader in using patient experiences to drive change. With the right changes, we can continue to retain this position.

The potential benefits of Healthwatch England commissioning local Healthwatch	
Today	**Tomorrow**
Funding allocated to patient and service user involvement is pooled in larger budgets and can be subject to cuts.	Funding flows transparently from one or fewer commissioners to services, and the Government can track the return on investment.
Local authorities spend time and money individually tendering and monitoring local Healthwatch contracts differently.	Fewer commissioning bodies result in greater consistency, quality and impact with less money spent on administration.
Each local Healthwatch provider is responsible for its HR, marketing, technology and financial services.	Concentrated commissioning allows for the bulk buying of services, pooled back-office functions, and standardised systems. This unlocks money and time to better serve the public.
Local Healthwatch services are not obliged to share their data centrally, so pockets of valuable insight do not reach national and regional policymakers.	Consistent commissioning requires uniform data collection and sharing. Policymakers get a complete picture of people's care experiences.
Local Healthwatch structure does not mirror Integrated Care Systems, resulting in inconsistent relationships.	Integrated Care Systems have an effective partner in every area who can inform their decisions and hold them accountable.

Our recommendations

1. A Government-led review of Healthwatch.
2. A revised model in which Healthwatch England takes on the role of commissioner.
3. Restore Healthwatch funding to 2019 levels.
4. A new duty on health and care bodies to actively inform patients and the public about how they can share their experiences through Healthwatch.

Annex one - The four options and their benefits and risks

With the help of partners, we have identified four potential options for improving the Healthwatch model.

Option	Description	Main benefits	Main risks
One	Healthwatch England as the national commissioner	• A stable, more transparent funding formula based on local needs. Potential savings. • A single approach to commissioning and standards. • Improved performance management to drive impact, reduce variance and increase efficiency. • A training and development programme is already in place. • A standard contract and performance measures have been developed. • More robust independence from NHS and social care commissioners. • Improved insight sharing and collaboration at local, ICS and national levels.	• Primary legislation would be required to enact changes. • Resources needed to establish a new structure.
Two	Integrated Care Boards (ICBs) as the commissioner	• Enable stronger ICB and Healthwatch joint working. • Reduce variation and improve planning across ICS areas.	• ICBs could face the same challenges local authorities currently do (cuts to funding, capacity issues, etc.) • ICBs lack experience commissioning local Healthwatch. • Resources needed to establish a new structure.

Option	Description	Benefits	Risks
Three	Healthwatch England as a direct employer.	• Economies of scale, with support functions delivered nationally and regionally. • Better able to deliver a shared culture, standards and projects.	• A significant change programme is required to absorb staff. • Impact on local relationships due to staff turnover. • Potential loss of trust in Healthwatch as a local service. • Resources needed to establish a new structure.
Four	Local Authorities as commissioner but with greater Healthwatch England involvement.	• A clearer role for Healthwatch England could result in more consistent service standards and outcomes.	• Existing challenges with local funding cuts, commissioning capacity, inefficiencies and variation in ICS relationships remain unchanged.