

CABINET MEMBER DECISION

24 MARCH 2017

PROPOSED CHANGES TO OWNERSHIP/CONTROL AND GOVERNANCE OF HEALTHWATCH

Relevant Cabinet Member

Mr J H Smith

Relevant Officer

Director of Public Health

Recommendation

- 1. The Director of Public Health recommends that the Cabinet Member with Responsibility for Health and Well-being:**
 - (a) notes the delivery of Healthwatch functions by Healthwatch Worcestershire (HWW) since 2013, and the technical governance control held by the County Council over HWW to date;**
 - (b) notes the competitive tender process and subsequent award of a new contract to HWW from April 2016; and**
 - (c) agrees that the corporate governance of HWW should be independent of the Council which should therefore release any governance control over it, and authorises the Director of Public Health and Head of Legal and Democratic Services to take all necessary steps to put this into effect.**

Background

2. The Health and Social Care Act 2012 established Healthwatch as the new consumer champion for health and adult social care from April 2013. All unitary and upper tier local authorities were required to make arrangements for a Local Healthwatch that would:

- gather people's views and experience of services – including children and young people in respect of health services
- use this evidence and insight to influence the organisation and provision of services, including through statutory membership of the Health and Well-being Board
- provide people with information and advice to enable greater choice and control over their health, treatment and care

- advise Healthwatch England about key local issues in order to inform national policy.

3. The Cabinet considered issues relating to Healthwatch at its meetings on 20 October 2011, 19 April 2012, and 19 July 2012. Cabinet supported the establishment of Healthwatch Worcestershire (HWW), and considered options as to procurement.

4. Cabinet considered a number of potential organisational forms and decided that HWW should be a new organisation to protect its independence, and formed as a company established and owned by the County Council. It was noted that this would allow full local stakeholder involvement in its establishment, and a contract to be placed with the company without a competitive tender process. This option required the County Council to retain the right to exercise a controlling vote at the Board, but with the expectation that the County Council would not get involved with the affairs of the Company except through the monitoring of the contract or in the event of serious or sustained service failure. Thus HWW was in governance terms a local authority controlled company, although operationally independent. It was noted that this option might raise questions about the independence of HWW, particularly in respect of its ability to scrutinise and report on adult social care and public health. HWW was established as a company limited by guarantee, rather than shares.

5. A three year contract was put in place between the County Council and HWW, from April 2013. In the final year of this contract, a full procurement exercise was undertaken and competitive tenders were sought to deliver Healthwatch functions. At the end of this process, HWW were awarded the contract, and a new three year contract is now in place, with an option to extend.

6. Having completed the tender process, and being at the end of the first year of the new contract, it is timely to reconsider ownership and governance matters. Retaining technical control meant that the Council did not need to undertake a competitive tender process in 2013, and this enabled timely delivery of a new statutory duty. However, a full procurement has now taken place.

7. The performance of HWW has been consistently good, and the Council has met regularly with HWW officers for contract monitoring purposes as well as for more strategic discussions. There has not been concern about service failure; the Council has not sought to be involved in the affairs of the Company; and the Council has not sought to exercise its controlling vote at the Board.

8. The issue of the independence of HWW remains. It has always been operationally independent but although there have not been any challenges to HWW's credibility, its full independence from the Council is needed in order to give full public confidence in HWW's ability to scrutinise services commissioned or delivered by the Council. This is seen as natural progression from its original governance form and mirrors HWW's operational independence.

9. It is therefore timely to end the 2013 arrangement whereby the Council holds a controlling vote in HWW, and for the company to be entirely independent of the Council in governance terms as well as operationally.

Legal, Financial and HR Implications

10. None other than as set out above.

Privacy and Public Health Impact Assessments

11. None

Equality and Diversity Implications

12. None

Supporting Information

- None

Contact Points

County Council Contact Points

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Specific Contact Points for this report

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Background Papers

In the opinion of the proper officer (in this case the Director of Public Health) the following are the background papers relating to the subject matter of this report:

Cabinet papers for 20 October 2011, 19 April 2012, and 19 July 2012.