

The Funding of Local Healthwatch

2013-2016



**A REPORT BY THE
HEALTHWATCH AND PUBLIC
INVOLVEMENT ASSOCIATION
"WORK IN PROGRESS"**



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PURPOSE OF THIS REPORT

This report presents data from a Freedom of Information request sent to all Local Authorities in England on April 4/5th 2013, concerning the funding of Local Healthwatch. Our six questions are shown below.

Our motivation for preparing this report was to find if the massive budget cuts in some part of England were part of a general policy of reducing budgets for the monitoring of health and social care, or whether authorities like Manchester (72% reduction in budget), North Yorks (47%) and Newcastle (40% reduction in budget) were atypical or were leading a trend. We compared current budgets with baseline Local Involvement Network (LINK) budgets for 2008/9

Many LINKs were devastated by massive cuts to their budget for 2011-12 and our survey of 151 LINKs carried by NALM in March-April 2011 showed that 62 LINKs had budget cuts of over 24% (highest 78%).

We wanted to see what progress had been made since then.

This is work in progress as some of the data is still in the process of being clarified.

HOW IS LOCAL HEALTHWATCH FUNDED

It is very complicated!

The funding stream for Local Healthwatch (LHW) "contractors" is essentially the same as for LINKs. The Department of Health sets a budget for LHW globally, the money is transferred to the Department of Communities and Local Government and then allocated to local authorities. The baseline figure of £27m for LINKs has been carried forward within the "Business Rates Retention Scheme" (BRRS). This pot of money is not ring-fenced and no specific amount is allocated for each Local Healthwatch, so it is up to local authorities to decide how much they will spend on our Local Healthwatch.

From 2013/14, £16.5 million of additional funding went to local authorities for local Healthwatch - £13.3m from the Local Reform and Community Voices Grant and £3.2 million from the (BRRS). This funding has been allocated by the DH to local authorities (via the Department for Communities and Local Government (DCLG) in proportion to the adult social care Relative Needs Formula (RNF is for older adults 65 years+ and young adults 18-64 years,) with a minimum allocation of £20,000. Part of the RNF funding is targeted at the Local Healthwatch information and signposting function.

The global budget for LINKs in 2008/9 was £27m and the global budget for Local Healthwatch in 2013/4 is £60m – an increase of £33m.

WHAT DATA HAVE WE COLLECTED AND WHY?

This report examines answers from 152 local authorities that have provided responses to our FOI request. Our concern is that LHW must be effective and will have the resources to become a powerful public watchdog and a leading source of influence in the development and monitoring of health and social care services. In particular, we are concerned to see they are compliant with their duties under the Health and Social Care Act 2012, to monitor services, influence commissioners and effectively speak with and for the public.

Only one local authority was, despite the statutory duty being to provide the data requested within 20 working days, unable to provide a reasonable data set during the three month period that we collected data. Many local authorities gave us vague answer – surprising as they should have settled by April 1st 2013, all of the issues about which we inquired.

We asked the following questions:

- 1) What is the name and the contact details of the contractor contracted to supply Local Healthwatch for your area?

Healthwatch is a body corporate and a social enterprise. The functions/duties can be subcontracted to other bodies or companies. We wanted to know which organisation has the contractual duty to ensure compliance with the specified statutory activities of Local Healthwatch (LHW).

- 2) How long is the contract for?

We wanted to know if local authorities were giving LHW time to succeed. We believe that short contracts will not enable LHW the time to develop the local knowledge, monitoring skills, communications and influence that LHW needs to be successful.

- 3) What is the Healthwatch **budget** for your Local Authority for:

- a. 2013 – 2014

- b. 2014 – 2015
- c. 2015 – 2016

This is the total amount of money that the local authority has allocated for LHW (excluding any funding for the Independent Advocacy Service).

- 4) What is the value of your Local Healthwatch **contract** for:
- d. 2013 – 2014
 - e. 2014 – 2015
 - f. 2015 – 2016

This is the total amount of money that the local authority has committed to paying the LHW contractor (excluding any funding for the Independent Advocacy Service and any other sums that the council retains from the total budget, e.g. for monitoring the contract).

- 5) How much money will your Local Authority retain from your annual Healthwatch budget for your area to cover your costs and other purposes for the financial years:
- g. 2013 – 2014
 - h. 2014 – 2015
 - i. 2015 – 2016

This is the total amount of money that the local authority retains for its own activities from the total LHW budget.

- 6) Will VAT be deducted from the payment made to your Local Healthwatch?

This is to discover if there are consistent practices regarding the payment of VAT by local authorities.

7) We also wrote to every Local Healthwatch asking them to confirm the budget that they received from the Local Authority. This was for the purpose of triangulation, i.e. ensuring that what LHW received corresponded with the amount allocated by the local authority. Only 8 LHW responded.

LHW	LHW Answers to Question 7	Local Authority Answer to FOI	Difference
Hackney (see note 5)	£125,000	£125,000	No difference
Hertfordshire	£404,000	£404,000	No difference

Cornwall	£309,886	£346,650	-£36,764
Redbridge	£166,000	£185,000	£19,000
Bracknell Forest	£103,022	£118,483	-£15,461
Reading	£130,311	£144,500	-£14,189
Islington	£176,000	£176,200	-£200
Rotherham	£215,000	N/K	N/K

NOTES

- We use traditional regional NHS boundaries for ease
- The full data set in alphabetical order can be found at Table One
- Figures not adjusted for inflation but the adjusted figures will be published shortly.
- The Regional data set is at Table 12

FINDINGS FROM HEALTHWATCH FUNDING RESEARCH

- 1) There were significant differences in the value of Local Healthwatch contract when we compared former English regions between 2008/2009 - 2013/2014. A 77% increase in contract values in London and a 68% increase in South Central and South East, whilst at the other end of the scale there was a tiny 2% increase in contract values in Yorkshire and Humberside and just 15% in the North East. Eighteen local authorities were not able clearly or fully answer our questions, but we are still extracting some of the incomplete data. We have not adjusted the figures for inflation but will do so in a future report.
- 2) There are 23 LHWs where the local authority's budget for Local Healthwatch is lower than for the comparable LINK budget for 2008/9 (Table 2). Eight of these were in London, and three of these had been LHW Pathfinders. There were 6 other pathfinders across the country that had suffered budget cuts.
- 3) It is particularly disappointing that LHW Pathfinders, which had led the way in the development of LHW should have suffered such severe budget cuts.

4) The most severe cuts were in Manchester (72%), North Yorks (47%), Hackney (40%), Newcastle upon Tyne (40%), Durham (39%) and South Tyneside (36%).

5) The 40% budget cut in Hackney since 2008-9 has been explained by Hackney Council as follows:

“The figure for Healthwatch is £250,000 over the two years 2013/14 and 2014/15. Broken down it will be a baseline of £100,000 to the Healthwatch organisation and £150,000 for support services.

The text from Cabinet report stated: Only indicative figures are available from central Government for potential Local Healthwatch funding. No confirmed figures are expected until December 2012. It is proposed for 2013/14 and 14/15 to continue with the current allocation process which is £50,000 in the base budget for Healthwatch Hackney to undertake the functions set out in paragraph 3.6. There will be an additional £150,000 set aside in a specific reserve over the 2 financial years 2013/14 and 2014/15 to be allocated to Healthwatch Hackney by the commissioning Corporate Director as required throughout 2013/14 and 2014/15, in liaison with the Corporate Director of Finance & Resources.

I am pretty confident the full amount will be allocated.”

This would appear to be a major challenge to the independence of Hackney Healthwatch. Thus, the body being monitored is withholding the budget of the monitoring organisation until it decides to allocate the money!

6) The massive budget cuts in Manchester, North Yorkshire and Newcastle affect some of the most deprived parts of England. The 19% budget cut in Staffordshire is surprising in view of the tragic history of Mid Staffordshire Hospital and the recommendations of the Francis Report.

7) Local authority retentions are equivalent to the difference between the local authorities allocated Local Healthwatch (LHW) budget and the contract price agreed with the LHW contractor.

8) Retentions by local authorities are often difficult accurately to assess, because funds are sometimes retained for contract monitoring (for LINKs this was about 10%) and sometimes for other purposes, e.g. retaining a part of the budget pending a review of effectiveness – the ‘Hackney model’.

This latter approach formally removes the independence of LHW, as LHW is expected to operate in a way that meets the expectation of one of the bodies that the LHW is expected to monitor.

- 9) The number of retentions were particularly high in London (15/33) South Central/East (11/18) and North West (11/23), whereas the number of retentions were low East Midlands 0/9 and East of England 2/11. The actual amounts retained varied enormously Durham (128,741), Kent (100,000), Southampton (87,382), Birmingham (73,000) and Oxfordshire(69,096), retaining amounts that would be enough to provide up to 5 additional members of staff for the LHW. The £14,000 retention from the tiny Isles of Scilly LHW was the most surprising (out of a budget of £66,185) and compared badly with Liverpool £14,376 (out of £510,218).
- 10) Fifteen local authorities told us that they had made a retention of funds, but did not disclose the actual amounts.
- 11) The good news is that 86 local authorities reported that they did not retain any funds from their LHW budget for their own contract monitoring activities. This data may need closer scrutiny as the use of non-ring fenced 'formula funding' can sometimes create confusion over budget headings.
- 12) Contract duration data showed that 76 out of 151 LHW have contracts for 2 years and 49 for three years. Four LHW had contracts for more than 3 years and 17 local authorities contracted for a one year contract. Six local authorities could not tell us the length of the contract. Very short contracts create insecurity and uncertainty and lead to a focus on short term targets rather than genuine development goals that meet the needs of local people and lead to the creation of powerful LHW, that can hold health and social care commissioners and providers to account.
- 13) Most local authorities (128) did not deduct VAT from the payment they made to the Local Healthwatch contracter. But it is worrying that 14 local authorities have deducted 20% of value of the Local Healthwatch contract for VAT and that 7 local authorities did not know the answer to the question.

TABLE 1: FUNDING – Alphabetical by Local Authority Area

TABLE 1: FUNDING: Alphabetical by Local Authority Area

N/K – Not Known N/S - Not Specific

LOCAL AUTHORITY	LINK BUDGET 2008-2009	LHW BUDGET 2013-2014	BUDGET Increase Decrease	% Increase Decrease	RETENTION of Budget by LA	VAT Deduction
Barking + Dagenham	147,000	N/S	N/S	N/S	0	No
Barnet	182,000	198,000	16,000	9%	0	No
Barnsley	152,000	210,000	58,000	38%	0	No
Bath + NE Somerset	109,000	72,000	-37,000	-34%	0	No
Bedford Borough	68,800	142,700	73,900	107%	0	No
Bexley	131,000	170,502	39,502	30%	0	Yes
Birmingham	558,000	709,000	151,000	27%	73,000	No
Blackburn with Darwen	123,000	157,000	34,000	28%	2,000	No
Blackpool	126,000	225,000	99,000	79%	0	No
Bolton	166,000	225,000	59,000	36%	33,710	No
Bournemouth	119,000	167,987	48,987	41%	16,800	Not finalised
Bracknell Forest	86,000	118,483	32,483	38%	0	No
Bradford	259,000	355,000	96,000	37%	0	No
Brent	185,000	176,600	-8,400	-5%	0	No
Brighton and Hove	148,000	220,229	72,229	49%	21,000	No
Bristol	210,000	300,000	90,000	43%	40,000	No
Bromley	151,000	144,169	-6,831	-5%	22,231	No
Buckinghamshire	182,000	290,000	108,000	59%	60,000	No
Bury	122,000	167,417	45,417	37%	45,417	No
Calderdale	130,000	150,000	20,000	15%	0	No
Cambridgeshire	220,000	221,739	1,739	1%	0	No
Camden	176,000	257,400	81,400	46%	0	No
Central Bedfordshire	171,000	140,000	-31,000	-18%	0	No
Cheshire East/West + Chester **	257,000	366,982	109,982	43%	0	No
LOCAL AUTHORITY	LINK BUDGET 2008-	LHW BUDGET 2013-2014	BUDGET Increase Decrease	% Increase Decrease	RETENTION of Budget by LA	VAT Deduction from

	2009					Payment
City of London	63,000	64,000	1,000	2%	4,000	Yes
Cornwall	252,000	346,650	94,650	38%	0	No
Coventry	178,000	N/S	N/S	N/S	N/S	No
Croydon	188,000	264,000	76,000	40%	19,000	No
Cumbria	232,000	302,067	70,067	30%	0	Yes
Darlington	96,000	133,000	37,000	39%	0	Yes
Derby City	150,000	313,000	163,000	109%	0	No
Derbyshire	314,000	464,909	150,909	48%	0	No
Devon	298,000	779,000	481,000	161%	0	No
Doncaster	172,000	363,292	191.292	111%	0	No
Dorset	183,000	219,000	36,000	20%	N/S	Not finalised
Dudley	173,000	280,149	107,149	62%	30,000	No
Durham	256,000	156,407	-99.593	-39%	128,741	No
Ealing	183,000	218,500	35,500	19%	N/S	Not finalised
East Riding of Yorkshire	158,000	216,070	58.070	37%	21,607	No
East Sussex	236,000	385,000	149,000	63%	0	No
Enfield	179,000	180,000	1,000	1%	0	No
Essex	480,000	480,000	0	0%	0	No
Gateshead	140,000	198,486	58,486	42%	N/S	No
Gloucestershire	231,000	N/S	N/S	N/S	0	Yes
Greenwich	188,000	185,886	-2,114	-1%	0	No
Hackney	207,000	125,000	-82,000	-40%	0	Not finalised
Halton	111,000	142,215	31,215	28%	0	No
Hammersmith + Fulham	143,000	152,089	9,089	6%	N/S	No
LOCAL AUTHORITY	LINK BUDGET 2008-	LHW BUDGET 2013-2014	BUDGET Increase Decrease	% Increase Decrease	RETENTION of Budget by LA	VAT Deduction from

	2009					Payment
Hampshire	378,000	747,000	369,000	98%	58,000	No
Haringey	172,000	215,000	43,000	25%	15,000	No
Harrow	138,000	217,000	79,000	57%	16,000	N/K
Hartlepool	99,000	125,908	26,908	27%	N/S	No
Havering	133,000	114,517	-18,483	-14%	0	N/K
Herefordshire	119,000	155,500	36,500	31%	0	No
Hertfordshire	361,000	404,000	43,000	12%	0	No
Hillingdon	147,000	175,000	28,000	19%	0	No
Hounslow	142,000	205,000	63,000	44%	14,000	No
Isle of Wight	115,000	153,414	38,414	33%	0	Yes
Isles of Scilly	61,000	66,185	5,185	9%	14,000	No
Islington	170,000	176,200	6,200	4%	0	No
Kensington + Chelsea	140,000	168,014	28,014	20%	0	No
Kent	492,000	914,000	422,000	86%	100,000	Yes
Kingston upon Hull	173,000	250,000	77,000	45%	0	No
Kingston upon Thames	102,000	144,000	42,000	41%	21,600	Yes
Kirklees	202,000	257,000	55,000	27%	20,431	No
Knowsley	140,000	185,000	45,000	32%	5,000	No
Lambeth	209,000	265,115	56,115	27%	0	No
Lancashire	454,000	750,000	296,000	65%	0	No
Leeds	308,000	480,390	172,390	56%	18,440	No
Leicester	186,000	127,791	-58,209	-31%	0	No
Leicestershire	219,000	325,000	106,000	48%	0	No
Lewisham	197,000	150,000	-47,000	-24%	0	?
Lincolnshire	285,000	446,575	161,575	57%	0	No
LOCAL AUTHORITY	LINK BUDGET 2008-2009	LHW BUDGET 2013-2014	BUDGET Increase Decrease	% Increase Decrease	RETENTION of Budget by LA	VAT Deduction from Payment

Liverpool	291,000	510,218	219,218	75%	14,376	No
Luton	131,000	160,000	29,000	22%	N/S	No
Manchester	288,000	80,000	-208,000	-72%	0	Yes
Medway	136,000	180,400	44,400	33%	0	No
Merton	123,000	130,000	7,000	6%	0	No
Middlesbrough	122,000	156,248	34,248	28%	46,040	Yes
Milton Keynes	129,000	197,811	68,811	53%	37,048	No
Newcastle upon Tyne	171,000	102,700	-68,300	-40%	0	No
Newham	214,000	140,000	-74,000	-35%	0	No
Norfolk	342,000	638,000	296,000	87%	0	No
North East Lincolnshire	120,000	128,000	8,000	7%	6,027	No
North Somerset	121,000	187,000	66,000	55%	0	No
North Tyneside	134,000	171,232	37,232	28%	22,232	No
North Lincolnshire	114,000	165,000	51,000	45%	0	N/K
North Yorkshire	222,000	116,895	-105,105	-47%	0	No
Northamptonshire	253,000	435,000	182,000	72%	0	N/K
Northumberland	165,000	329,000	164,000	99%	15,000	No
Nottingham City	184,000	160,000	-24,000	-13%	0	No
Nottinghamshire County	304,000	434,000	130,000	43%	0	No
Oldham	151,000	160,000	9,000	6%	0	No
Oxfordshire	222,000	384,096	162,096	73%	69,096	Yes
Peterborough	122,000	198,000	76,000	62%	12,000	No
Plymouth	151,000	193,000	42,000	28%	0	No
Poole	103,000	112,700	9,700	9%	0	No
Portsmouth	125,000	150,000	25,000	20%	N/S	No
LOCAL AUTHORITY	LINK BUDGET 2008-2009	LHW BUDGET 2013-2014	BUDGET Increase Decrease	% Increase Decrease	RETENTION of Budget by LA	VAT Deduction from Payment

Reading	104,000	144,500	40,500	39%	4,200	No
Redbridge	156,000	185,000	29,000	19%	19,000	No
Redcar and Cleveland	116,000	165,894	49,894	43%	38,394	No
Richmond upon Thames	107,000	185,687	78,687	74%	7,000	No
Rochdale	147,000	175,451	28,451	19%	5,151	No
Rotherham	160,000	N/S	N/S	N/S	0	N/K
Rutland	69,000	N/S	N/S	N/S	0	No
Salford	159,000	193,000	34,000	21%	26,480	N/K
Sandwell	202,000	263,100	61,100	30%	N/K	No
Sefton	172,000	N/A	N/A	N/A	N/S	No
Sheffield	263,000	N/A	N/A	N/A	N/S	No
Shropshire	150,000	220,196	70,196	47%	N/S	No
Slough	104,000	140,957	36,957	36%	27,793	No
Solihull	119,000	176,225	57,225	48%	18,225	Yes
Somerset	226,000	223,047	-2,953	-1%	0	No
South Gloucestershire	124,000	N/S	N/S	N/S	0	N/K
South Tyneside	127,000	81,400	-45,600	-36%	0	Yes
Southampton	141,000	287,382	146,382	104%	87,382	No
Southend on Sea	123,000	190,000	67,000	54%	0	No
Southwark	211,000	140,000	-71,000	-34%	0	No
St. Helens	132,000	180,000	48,000	36%	N/K	No
Staffordshire	301,000	242,380	-58,620	-19%	0	No
Stockport	149,000	138,728	-10,272	-7%	0	Yes
Stockton-on-Tees	163,000	166,261	3,261	2%	0	No
Stoke-on-Trent	163,000	216,000	53,000	33%	0	Yes
LOCAL AUTHORITY	LINK BUDGET 2008-2009	LHW BUDGET 2013-2014	BUDGET Increase Decrease	% Increase Decrease	RETENTION of Budget by LA	VAT Deduction from Payment

Suffolk	280,000	506,597	226,597	81%	22,584	No
Sunderland	176,000	243,087	67,087	38%	25,776	No
Surrey	333,000	590,000	257,000	77%	0	No
Sutton	118,000	210,916	92,916	79%	13,000	No
Swindon	112,000	151,000	39,000	35%	0	No
Tameside	146,000	136,000	-10,000	-7%	0	No
Telford and Wrekin	119,000	167,000	48,000	40%	0	No
Thurrock	111,000	159,357	48,357	45%	0	No
Torbay	119,000	220,000	101,000	85%	4,000	No
Tower Hamlets	208,000	276,636	68,636	33%	31,636	No
Trafford	130,000	158,384	28,384	22%	0	No
Wakefield	182,000	272,520	90,520	50%	0	No
Walsall	170,000	249,202	79,202	47%	0	Yes
Waltham Forest	164,000	175,000	11,000	7%	15,000	No
Wandsworth	169,000	230,000	61,000	36%	0	No
Warrington	117,000	160,000	43,000	37%	0	No
Warwickshire	212,000	348,177	136,177	64%	48	No
West Berkshire	95,000	87,728	-7,272	-8%	0	No
West Sussex	281,000	584,000	303,000	108%	0	No
Westminster	174,000	193,453	19,453	11%	N/K	No
Wigan	175,000	223,500	48,500	28%	N/K	No
Wiltshire	181,000	205,000	24,000	13%	0	No
Windsor, Ascot + Maidenhead	93,000	128,481	35,481	38%	0	No
Wirral	200,000	315,318	115,318	58%	58,413	No
Wokingham	87,000	N/K	N/K	N/K	N/K	N/K
LOCAL AUTHORITY	LINK BUDGET 2008- 2009	LHW BUDGET 2013-2014	BUDGET Increase Decrease	% Increase Decrease	RETENTION of Budget by LA	VAT Deduction from Payment

Wolverhampton	169,000	200,000	31,000	18%	0	No
Worcestershire	222,000	321,000	99,000	45%	0	No
York	108,000	140,000	32,000	30%	0	No

** Note: Cheshire County Council was abolished 31 March 2009 and replaced by Cheshire East and Cheshire West/Chester

REST OF THE REPORT AVAILABLE ON LINE

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