

£10m of Healthwatch cash 'goes missing'¹³ February, 2014 - HSJ

Nearly a quarter of the funding for local Healthwatch groups has gone missing, according to research by the national body representing them.

England's 148 local Healthwatch groups, which were set up as "consumer champions" for the NHS under the Health Act 2012, were allocated £43.5m by the Department of Health last year.

But research by Healthwatch England, shared exclusively with *HSJ's* sister title *Local Government Chronicle*, has found the groups only received £33.5m of this – leaving £10m unaccounted for.

The group said the DH had verbally confirmed it passed £43.5m to the Department for Communities and Local Government, which was tasked with distributing the money to councils to give to their local Healthwatch groups.

However, Healthwatch England said it was unclear whether the DCLG passed on the full amount or whether it was subject to cuts to the department's overall budget for local government.

It is also unclear whether councils handed Healthwatch groups the full amount they needed to pay for the service, or whether councils retained some of this money.

The Healthwatch money was added to councils' baseline budgets without a ringfence and councils were free to decide how much to allocate to their local Healthwatch group.

Healthwatch England is now calling for "clarity" about where the money has gone, although it has warned it may be impossible to track down the entire £10m because of the complicated route it took to be transferred from DH budgets to local groups.

Anna Bradley, chair of Healthwatch England, said: "This discovery is hugely disappointing.

"Less than 4p out of every £10,000 spent on health and social care was allocated to champion the cause of consumers in the first place and even this tiny amount is failing to reach those charged with speaking out on behalf of their local communities.

“The tragedies of Mid Staffs, Morecambe Bay and Winterbourne View all highlight what happens when the system fails to listen.”

It comes after a government decision last year to **reject a call by Robert Francis QC** to force councils to hand centrally allocated funding directly to local Healthwatch groups.

In his report into poor care at Mid Staffordshire Foundation Trust, published last year, Mr Francis said each local authority “should be required to pass over the centrally provided funds allocated to its local Healthwatch, while requiring the latter to account for its stewardship of the money.”

But the government response to the report said: “We believe that local authorities are best placed to make decisions about funding services that meet the needs of their local communities, including local Healthwatch.”

A spokesman for the DCLG said: “Funding for Healthwatch was included in the local government settlement for 2013-14 and as such is being paid in full.

“It is up to councils to account for how it is being spent locally.”

It is understood that payments are made by the department to councils over the course of the year and it is therefore unknown whether the full £43.5m has been paid so far.

However, the DCLG’s officials expect that it will be paid by the end of the financial year.