

Report to:	HEALTHWATCH BLACKPOOL
Relevant Officer:	Mark Towers, Company Secretary
Date of Meeting	17 May 2016

ARTICLES OF ASSOCIATION

1.0 Purpose of the report:

1.1 The purpose of this report is to seek a recommendation to the Council in relation to the adoption of the articles of association.

2.0 Recommendation(s):

2.1 To agree the proposed decision making policy as attached at Appendix 5(a).

2.2 To agree to recommend the Council to adopt the revised set of articles at Appendix 5(b).

2.3 To consider how to move forward to become a more self-sustainable body, which would involve a further review of the articles of association to achieve that aim.

3.0 Reason for Recommendations

3.1 To align the articles of association with those which formed part of the contract which Empowerment won, to enable the work of the Board to be supportive of the objectives of empowerment.

4.0 Formation of Healthwatch Blackpool

4.1 The Council formed Healthwatch on 23 September 2012, effective from 1 November 2012. It was formed as a company limited by guarantee, a body corporate, ready to carry out statutory functions that are contained in the Health and Social Care Act 2012.

4.2 The Health and Social Care Act 2012 required all local authorities to commission a local Healthwatch. Healthwatch was to be the new local health and social care consumer champion and would represent the views of local residents of all ages, advocating and influencing the delivery and commissioning of health and social care services on their behalf.

5.0 Contract for Delivering Healthwatch

- 5.1 From 1 April 2015, Empowerment was successful in winning the contract for delivering Healthwatch in Blackpool. Prior to the letting of the contract a review of the Articles of Association had been undertaken, with representatives of the then Board of Directors and the Company Secretary, these were not formally approved, but did form the basis of the contract, which Empowerment were successful in winning. As part of the agreement with Empowerment, a recruitment panel was also formed to help the transition to the new Healthwatch Board, the agreement between the Council's commissioning team and Empowerment was that there would be a recruitment panel set up (including representatives from the Council's Commissioning team, Empowerment and the Health Trust) to appoint Board members. It also looked to identify a Chairman. This was to make sure that there was a required skills set across the Board and an experienced leader as Chairman. This panel would also continue to make sure that future/ replacement Board Members were chosen on the same basis. This has now been incorporated into the revised Articles of Association, which formed the basis of the contract Empowerment was successful in bidding for.
- 5.2 The revised set of Articles of Association is attached. The Board is asked to approve a Resolution to adopt the revised Articles of Association of the Company and the statement as to how the Council (as member) could signify agreement. The Council who would need to consider the Articles of Association through its Executive decision making process within 28 days. Once agreed by the Council, the revised Articles of Association would then have to be lodged with Companies House within 15 days of the decision.
- 5.3 The revised Articles are not ideal for the future development of the Company, if it wishes to move towards becoming a self-sustaining body. However, the adoption of the current set would align the work of the Board better with the contract Empowerment was successful in winning.
- 5.4 One issue which has caused some confusion with the articles has been the interpretation of the word 'member'. In Part 1 of the articles, "member" has the meaning given in section 112 of the Companies Act 2006. This in effect means that the subscribers of a company's memorandum are deemed to have agreed to become members of the company. The subscriber to these articles is the Council. However, later in the articles the word 'member' is referred to in relation to arrangements for Annual meetings. For these meetings it cannot just be the Council, which is referred to (as the registered member) so any member of the public who attends has been allowed to speak and participate in the Annual meeting to ensure there is transparency and accountability.

- 5.5 This still means that the articles are a legal and sound document, but this anomaly could be picked up in a future review, if for example Healthwatch wished to become a charity.
- 5.6 The Board could then work with the Council in developing governance documents to help it develop into a more self-sustaining organisation.
- 5.7 Article 11 states the need for a decision making policy to be agreed by the Board and published. Attached is a proposed policy based on a template used by a number of Healthwatch organisations and very similar to the policy previously used.

6.0 Accountabilities

- 6.1 The DH/ LGA publication – ‘Developing Effective Local Healthwatch’ states that:

“Local Healthwatch will be funded by local authorities and held to account by them for their ability to operate effectively and be value for money. The Act states that local authorities will have a local Healthwatch organisation in their area from April 2013, but will have the flexibility to choose how they commission it to achieve best value for money for their communities.”

A Local Healthwatch should be accountable to:

- Local service users and resident taxpayers in the local authority area.
- The commissioning local authority in terms of value for money and delivery of contracted activities/ performance.
- Healthwatch England in terms of quality standards.

A Local Healthwatch is expected to demonstrate accountability by a minimum of:

- an annual meeting, open and accessible to local stakeholders/ members
- an annual report
- audited accounts available for public inspection
- published organisational governance structure chart.

List of Appendices:

- Appendix 5(a) – Proposed Decision Making Policy
Appendix 5(b) - Revised articles of association.

7.0 Financial and Legal considerations:

7.1 The legal process for adopting the articles is referred to in paragraph 5.2.

**8.0 Other considerations:
(Performance, Risk, Human Resource and Equalities)**

8.1 A set of articles consistent with the Empowerment contract will ensure greater compliance with the measures raised.

9.0 Consultation with Volunteers (if appropriate)

9.1 No consultation was appropriate with this set of articles as it formed part of a commissioning contract. The recommendation is to align the articles of association with those which formed part of the contract which Empowerment won.