



Briefing Report No: **184/2009**

Public Agenda Item: **Yes**

Title: **Transforming Community Services: Enabling new patterns of provision
Torbay Care Trust**

Wards Affected: **ALL**

To: **Health Scrutiny Board** On: **10 September 2009**

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1. Key points and Summary

1.1

The context for the future of the NHS has been set which involves High Quality Care for All delivered through modernised, responsive services operating in an environment that provides choice for the client or patient whose experience of care is seamless and which also ensures value for money for the public purse. All of this is borne out of and captured in the papers, 'Our care, our health, our say,' and the High quality care for all: NHS Next Stage Review authored by Lord Darzi. Transforming Community Services looks specifically at the themes of clinical and service improvement supported by business principles.

Of note is the progress that Torbay has already made in this regard.

2. Introduction

The strong message from the Transforming Community Services (TCS) paper is that change is mandated. What the change will look like will be down to local discretion. The exercise of this discretion will be by – the PCT Board, the staff within the services through exercising their 'Right to Request' (having 'first call' on services to be provided) and direction given by the Strategic Health Authority (SHA) which the Primary Care Trust (PCT) are expected to take into account. There are many other stakeholders involved in the decision process including local authorities (irrespective of any partnership agreement) and clinicians, particularly through Practice Based Commissioners. However, within the Torbay context, the council have greater involvement and decision making not only through the close partnership working but the powers of the council in relation to 'key decisions' as defined in the formal partnership agreement

The magnitude of the change and implications are signalled by the emphasis put upon the engagement of staff and Trade Unions throughout the paper. The organisational structure needs to be tested to the extent that a rationale needs to be put forward whether services assume greater independence or remain embedded in an integrated environment. There will be on-going reviews of the decision making by the SHA of not only for Value for Money but also the testing of the rationale.

The separation has significant impacts on the Board structure and management team. Non-executive directors (NEDs) will be required to undertake oversight roles in the development of the proposals of both the commissioner and provider.

The programme is underpinned by the new national Quality Framework for community services and makes full use of the new Standard Contract and Commissioning for Quality and Innovation (CQUIN) to contract and drive the development of the new organisational forms

In line with World Class Commissioning (WCC) competency 7 the commissioner is expected to stimulate the market through this process and extend the range of choice and competition whilst the process contributes to promoting innovation and improvements.

Present Position

The Care Trust:

- is well advanced in so far as having a Joint Strategic Needs Assessment (JSNA) in place which was developed in conjunction with the council, a clear set of commissioning intentions embodied within the Strategic Improvement Framework the Local Area Agreements (LAA) and Torbay Strategic Partnership (TSP). These are requirements in terms of setting the direction for the provider to consider their business propositions.
- has a contract in place between its commissioner and provider arms and is ready to sign the new Standard NHS Community Contract effective April 2009.
- is becoming increasingly '*Business Ready*' through the development of its data and metrics and provider management team
- has sound governance structures which include the provider arm
- has developed innovative, successful services through integration and removing disparate functionality in the system. This is being furthered through the work of the Integrated Care System (ICS)
- the Council are signalling a willingness to discuss opportunities for further integration

Service redesign is essential in the ability to achieve the efficiency targets set this year by both Health and the Council and reshaping in relation to the TCS programme needs to be carefully managed to ensure that it is seen as a constructive change for the benefit of the system not undermined by the perception of it being a cost saving measure.

Considerations

1. Any in-house provision must be capable of evidencing a rigorous and transparent contractual

relationship in addition to adhering to the Principles and Rules for Co-operation and Competition. The commissioners must set out which services will be subject to Any willing PCT Accredited Provider status or tender and over what time period to enable the provider to decide on the viability of business models. This not suitable for all services particularly for those with high set up costs or until suitable currencies are available. However, the provider is given the right to 'first call' on services in the initial stages.

Areas that are not to be divested include those that are identified as not being financially viable.

2. There is no requirement for a single solution. The guidance is clear that there can be multiple organisations and organisational forms borne out of providers side changes to deliver the resultant reconfiguration. Transformation into various social enterprise forms or through contractual, working or partnership arrangements include, for example

- Vertical integration with SDHCFT
- Regional specialisms – Devon PCT provider and Plymouth
- Stand-alone entities within the local care economy
- Horizontal integration with council functions
- Maintenance of in-house functions to support micro-commissioning – care management and then the development to personalised Resource Allocation calculations

Whilst consideration needs to be given to the opportunity for the new bodies to be able to raise funds independently and from commercial sources, the provider organisations CANNOT become commercial (profit orientated) organisations.

Choice and contestability is at the heart of these changes in being the lever to drive up Quality of Care. Any proposal that limits the number of providers in the market will be tightly scrutinised. The new forms should not restrict competition. The SHA will overview and assure the process. They will provide both support and direction as to the SHA view which needs to be taken into consideration. This is of particular consideration in terms of integration of services with either/both the council or SDHCFT.

Encouragingly, the guidance does recognise Integrated Care Pilots as an organisation form. The benefits of the outcomes achieved through integration in Torbay stands as a solid evidence base against which to consider any alternatives and to support the rationale to drive forwards integration wherever it can deliver further benefits.

3. The council have delegated authority to the Care Trust to run services. Under the partnership agreement significant service changes form '*key decisions*'. These are decisions that need to be ratified by the council. The structure for consideration and decision making around proposed changes needs to be carefully considered to minimise duplication of work, reporting and due process so that effort is appropriately directed to optimising the outcome of the programme. Issues of ratification, Board approval, OSC, Cabinet and call-in procedures need to be factored in and managed to enable milestones to be achieved and a tight timetable to be met

4. Human Resources (HR) and communication are referred to through the guidance. Much is made of resourcing appropriately to maximise the likelihood of successful change including attention to the '*softer skills*' (quote)

Commissioners

Must undertake service reviews, along with market analysis and publish a procurement plan. The present structure of the Care Trust means that close working between the commissioner and the provider is essential in developing the metrics and a robust reviews of the services as they are broken down into a greater number of identifiable service lines.

Estates & Assets

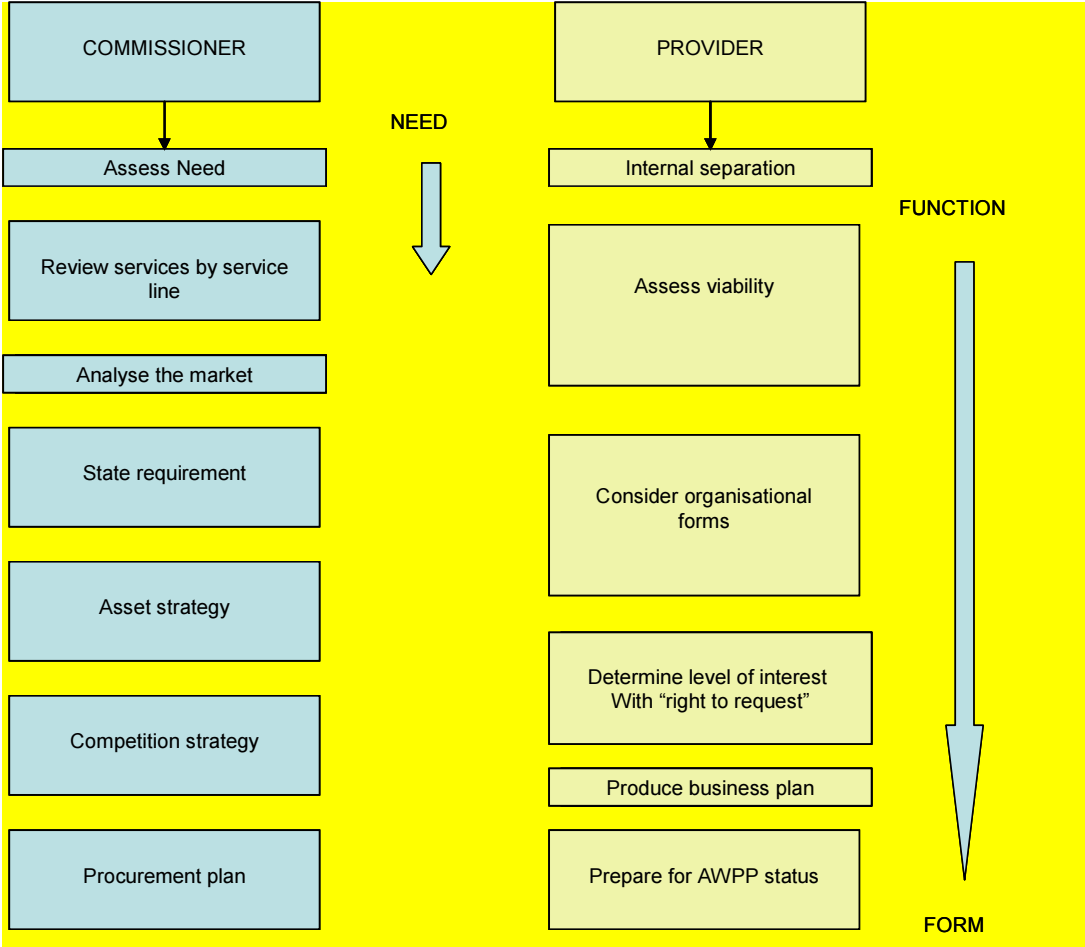
A clear estates strategy needs to be produced. It is clear that the services provided through existing estate should be on a leased or tenanted basis commensurate with the contract term. The correct

estate and its method of provision to support the proposed re-configuration is a substantial piece of work. The opportunity exists for this to be done in conjunction with the council estate as well as the NHS estate when considering optimum use of public assets

Decisions

In practical terms the Care Trust Board will make the decision as to the most appropriate forms of and the SHA will approve the decision. In the case of a Community Foundation Trust monitor will also need to approve the application. As cited, under the partnership agreement, Torbay Council will also need to approve the decision where it impacts on the pooled arrangements. As partners in the system there will in any event by close working throughout the process.

Outline of the processes to be undertaken by the Commissioner and Provider



Next steps – Timetable

April 2009	Contractual relationship with provider arm secured through NHS Standard Contract for Community Services	
October 2009 (by)	Commissioner – PCT and PBC to have completed a detailed plan for the transformation of community services encompassing priorities for developments, service improvement and choice	
	Provider service in the context of the commissioning strategy to have considered the appropriate organisational forms and decide on declaring an interest in forming a Social Enterprise or CFT	
October 2009 (from)	PCT commissioning arms, engaging practice-based commissioners, should complete service reviews and a market analysis, and establish and publish a procurement plan in line with the intentions in its 5-year Strategic Commissioning Plan.	
	PCTs will provide to, and agree with, their SHAs their intentions for the future of provider services, timescales for potentially establishing social enterprises or Community Foundation Trusts, market testing and a plan for supply-side	
April 2010	PCTs will have agreed with their SHAs a clear and realistic strategy for the future of the community estate that will ensure that the estate's fitness for purpose is assessed in the light of current and future commissioning intentions, exploring options to ensure that the estate is managed on an efficient and flexible basis to accommodate future changes in need.	
during 2010	During 2010, and following agreement PCTs should develop their implementation plan. SHAs will be responsible for ensuring that PCTs make substantial progress in implementing their plans, paying attention to the requirements of particular options.	

Name of Head of Business Unit
Title of Head of Business Unit

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Appendices

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Documents available in members' rooms

Background Papers:

The following documents/files were used to compile this report:

Transforming Community Services: Enabling new patterns of provision
http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_093197