LEICESTER HEALTH OVERVIEW AND SCRUTINY COMMITTEE
1 APRIL 2010

REPORT FROM NHS LEICESTER CITY AND NHS LEICESTERSHIRE COUNTY AND RUTLAND

PCT PROVIDER SERVICES – ORGANISATIONAL FORM DIRECTION OF TRAVEL

Summary
National policy on future organisational form of PCT-provided community services has been clarified in the last few weeks.

Guidance published on 5 February 2010, aimed at improving care quality and enabling innovation and productivity, has made it clear that PCTs should focus on high quality commissioning and will not typically provide clinical services in the future.

NHS Leicestershire County and Rutland and NHS Leicester City have therefore begun working together to determine future arrangements for their community services.

The approach to this work has been structured around three phases:

- Phase one — development of an initial direction of travel – to be agreed in principle with the Strategic Health Authority by the end of March 2010
- Phase two — detailed testing of direction of travel prior to formal public consultation during Summer 2010
- Phase three — PCT Board decisions followed by implementation of new organisational form arrangements by the end of March 2011.

This summary report and the attached PCT Board report present the outcome of phase one.

Background
Leicester City Community Health Services (the provider part of NHS Leicester City) serves a population of around 350,000, employs around 1,600 staff, and has an annual budget of around £50 million. Services provided include the city rehabilitation centre, intermediate care services, the Leicester Urgent Care Centre, community based nursing services, health visiting and school nursing, therapies and podiatry.

Leicestershire County and Rutland Community Health Services (the provider part of NHS Leicestershire County and Rutland) serves a population of 677,900, employs around 2,500 staff, and has an annual budget of around £108 million. Services provided include ten community hospitals, a walk-in centre, community based nursing services, health visiting and school nursing, a community dental service, out of hours services, therapies, podiatry and nutrition and dietetic services.

PCTs have been working for some time to drive up quality and improve the efficiency, governance and value for money of their community services. Moving services completely out of PCTs is the next step to enable further transformation.

Various potential organisational forms, including social enterprise and community foundation trusts, have been considered over the last year.

The guidance published in February has narrowed the options for services locally. New large scale social enterprises are unlikely, and the creation of community foundation trusts is not being encouraged because it does not make sense to create new NHS organisations in a recession.

Currently the most likely option for the majority of local services is integration with an existing NHS acute or mental health provider, and it may be appropriate to put some services out to tender where there are potential alternative providers.

Integration of providers presents opportunities to provide more joined up care for patients and service users.

Development of proposals

Emerging proposals have been developed jointly between the two PCTs in discussion with community health services managers and staff representatives, local doctors, adult and children's services representatives of local authorities, and other local providers.

It is currently proposed that most services are integrated with existing NHS acute or mental health sector providers, a small number are put out to tender, and one city service is taken further forward as a social enterprise organisation as shown below. A more detailed version of this table showing financial and staffing information is included as an appendix to the attached Board paper.

Current proposed direction of travel for groups of services

Acute Sector	Mental health sector	Open Procurement (tender)	Social Enterprise	PCT retained
Intermediate care and community hospital beds **Elective care** • Dermatology • Adult MSK physiotherapy • Children's audiology • Outpatient and day case services • Genito-urinary medicine • Podiatry • Radiology • Speech and language therapy for adults • Community dental services • Dietetics (provided in acute setting) **Urgent care** • Walk-in centres and minor injury units • Primary care coordinators • Children's Rapid Assessment Follow Up Team • Diana Children's Services **Specialist long term conditions** • Sickle cell and Thalassaemia Service • Chronic Obstructive Pulmonary Disease service • Heart Failure Service • Diabetes Nursing Service • Specialist TB Nursing Service • Specialist Continence Nursing Service **Paediatric medical services**	**Adult community nursing and therapy** • Care of older people in the community (district nursing) • Generalist community matrons • End of life nursing care • Reablement (including community intermediate care teams and therapies) • Rapid response teams • Dietetics (provided in community) • Community Health Volunteer Scheme • Care home project **Children's universal** • Health visiting • Safeguarding children • School nursing • Travelling families services **Children's targeted (complex needs)** • Occupational therapy • Physiotherapy • Specialist health visiting • Speech and language therapy **Health promotion and prevention** • Choices – sexual health and contraception • HPV programme • Primary care and public health support • Chlamydia+ • Fit and active buddies • Healthy Living Centre • Stop! Smoking cessation service **GP Asylum Seeker Practice (ASSIST)**	**Urgent care** • Out of hours GP service • Out of hours call handling service • Dental Access Centre **Intermediate care** • Community equipment	**GP Homeless Practice (Dawn Centre)**	**Estates building management** • Soft and hard facilities management **Continuing care** **Interpreting and translation** • Ujala Resource Centre

When debating which option might be most suitable for each service, a major consideration has been whether services are similar or have natural alliances, or whether they are best delivered in a particular way.

For example, specialist nurses supporting patients with chronic illness in the community have close links with consultant led services in acute hospitals and so it would seem sensible that they be managed by the same organisation. Similarly, most children's services are naturally delivered in a multi agency approach in local communities and would therefore fit better with a mental health sector provider which already works in that way. Where there are alternative providers with a proven track record in service delivery it is appropriate to put some services out to tender.

It is important to note that the current proposals are a 'direction of travel' requiring much more detailed analysis and debate, and may well be subject to change.

Next steps

This report has previously been submitted to the Leicester, Leicestershire and Rutland Health Overview and Scrutiny Committee on 22 March, while the two PCT Boards considered the draft proposals at their meetings on 11 March.

The views of key stakeholders, including local authority partners, have been sought and were included in the report that they considered. At those meetings the Boards provided the go ahead for the more detailed work to take place and will receive further information about the next stages of the work at their meetings in April.

Work to date has focused on broad clinical services. Consideration of the implications for staff, and the development of a robust HR process to support them though the changes, will be a key part of the next phase of this work.

Engagement with stakeholders including scrutiny committees, local involvement networks, councils and local community representatives, will also be vital.

There is a national expectation that services will be integrated by 1 April 2011. No final decisions will be made until after staff and public consultation, which will take place after the General Election.

Recommendation

The Overview and Scrutiny Committee is asked to:

- Note the recent national guidance and the implications for PCT-provided community services
- Approve the emerging direction of travel as the basis for wider engagement and more detailed testing, and
- Note that a more detailed work programme and timeline for phases two and three will follow for discussion.