# BRIEFING NOTE

**TO:** **Health Scrutiny and Performance Sub-Panel**
**DATE:** **3 March 2009**

**RE**: **"Transforming Community Services – enabling new patterns of service provision"**

## 1. Purpose

To brief Members on the guidance recently received from the Department of Health (DH) surrounding the required transformation of community services, including the move to a purely contractual relationship with commissioners and the consideration of organisational form best suited to the local transformation programme.

## 2. Summary

"Transforming Community Services – enabling new patterns of service provision" was launched in January 2009. The guidance is set firmly within the context of the need for all organisations to put quality at the heart of patient care and for commissioners to lead that process. However it also recognises that organisations delivering community care need to be fit for this purpose and this fitness for purpose requires consideration of the most appropriate organisational form. The thrust of the document is that there is no blueprint for this form but that providers are responsible for examining and appraising options for organisational form whilst Primary Care Trusts (PCTs) are responsible for making decisions on new arrangements for delivering community services. Strategic Health authorities (SHAs) will quality assure the decisions made by the PCTs. A timetable exists for this work to take place, detailed in section 3 below.

## 3. Elaboration

### 3.1 Organising principles

"High Quality Care for all" sets a clear vision making quality the organising principle for the NHS, spanning patient safety, patient experience and the effectiveness of care. In July 2008 the publication of "Our vision for primary and community care" as part of the Next Stage Review made a commitment to creating modern, flexible responsive community services. The quality framework bridges clinical and business improvement work-streams so that clinical leadership and transformation come together with commissioning, new patterns of provision, contracting, metrics and information to effectively transform community services.

"Transforming Community Services – enabling new patterns of service provision" concentrates upon enabling organisations providing community services to demonstrate the capacity and capability for transformational service change. It is a document which provides context, guiding principles, implications and high level timelines but does not provide a blueprint for organisational form. This fits with the commitment in "Our vision for primary and community care" to support the NHS in making local decisions on organisational and governance models. Nevertheless there are clear timetables and expectations of organisations around the work necessary to achieve the required change and improvement in community services.

### 3.2 Guiding principles

The following principles are outlined as essential in the decision making around organisational form:

**Benefits for patients and carers** – to include the interests of patients and carers, choice and personalisation and seamless care.

**Needs of the population** – form following need with a clear commissioning strategy, a joint strategic needs assessment in the 5 year commissioning plan and providers responding to needs.

**Staff** – with engagement of staff and trade unions, account being taken of employment rights, acknowledgement of workforce capacity and crucially staff having the "first call" to offer to provide services under the new organisational arrangements.

**Local decision making** – PCTs are the responsible statutory bodies and will decide as to how services will be provided taking account of local needs, wider stakeholder views and demonstrating an open transparent process.

**World class commissioning** – freeing up commissioners to concentrate upon the core business with providers in proper contractual relationships is key.

**Competition** – a key principle, including PCTs giving support to prospective providers including staff who request to set up a social enterprise either as a whole organisational form or as a set of services.

**Collaboration** – form should follow function and organisations should work in partnership with other agencies.

**Continuity and preservation of assets** – for example assets, especially estates, should not normally transfer to providers to mitigate risk and secure service continuity.

**Options for organisational form** – there is no prescribed ideal form but all the forms outlined in the document are possible, and regardless of organisational form there will be basic expectations of organisational competence.

### 3.3 Responsibilities of PCTs

PCTs have a duty to ensure the delivery of modern, consistently high quality sustainable community services that are responsive to patients and communities and offer value for money to taxpayers. To deliver this they are required to:

- Involve clinical leaders, staff and stakeholders;
- Engage staff and consider their interests – including consultation, protection of pay and conditions, enabling training and professional development and observing NHS values;
- Adhere to the following timetable:

**By April 2009** ensure that community providers have moved into a contractual relationship with it as the commissioner, and be "business ready", * using in 2009/10 the National Standard NHS Contract for Community Services;

**By October 2009** have considered organisational form i.e. have jointly developed, with practice-based commissioners, a detailed plan for transforming community services, priorities for improvement and service development. This will include what it proposes to do to enhance patient choice and introduce competition to drive up service quality and value for money;

**From October 2009** with practice-based commissioners have completed service reviews and a market analysis, and established and published a procurement plan in line with the intentions in its 5-year Strategic Commissioning Plan

**and**

will have provided to, and agreed with, the SHA its 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 development or integration with other NHS organisations;

**No later than April 2010** will have agreed with the SHA a strategy for the future of the community estate, ensuring that the estate is fit for purpose and managed to accommodate future changes in need;

**During 2010** will have developed its implementation plan. The SHA will be responsible for ensuring the PCT makes progress in implementing its plans.

### 3.4 Responsibilities of Providers

- **By April 2009** have completed internal separation i.e. moved into a contractual relationship with the PCT, including becoming "business ready"*;

- **By October 2009 have** considered appropriate forms for provision and identified and declare any interest in developing a social enterprise or a Community Foundation Trust, or put forward proposals to the PCT for their future management;

- In line with the PCT's commissioning strategy assess the viability of service lines;

- Prepare to become an accredited "any willing provider" to the PCT for identified services;

- Produce a business plan.

### 3.5 Conclusion

NHS Walsall and NHS Walsall Community Health have made significant progress towards the transformation of local community services. However there is now a considerable agenda to be addressed in delivering the requirements of this national guidance.

NHS Walsall Community Health has already completed an option appraisal exercise and made a recommendation to the Board of NHS Walsall in October 2008 regarding its wish to proceed to a CFT application. This was delayed at that time. There is now an opportunity for additional CFT applications to be considered. Following its receipt of the Transforming Community Services document the Board of NHS Walsall Community Health will recommend to NHS Walsall that this direction of travel is pursued.

**4. Recommendation**

**That Members note the guidance on the transformation of community services including the timetable to consider new organisational forms.**

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