

NORTH YORKSHIRE COUNTY COUNCIL**SCRUTINY OF HEALTH COMMITTEE****8 July 2010****Transforming Community Services****Purpose of Report**

1. The purpose of this report is to provide a framework for Members to be briefed on how Transforming Community Services is being introduced in North Yorkshire.

NHS North Yorkshire and York – A Commissioner and Provider of Services

2. NHS NY&Y currently has two distinct functions – firstly, it is the main commissioner of healthcare services from hospital trusts, and secondly, via its provider arm (Community and Mental Health Services (CMHS)), it provides a wide range of community health care services, including:
 - District nurses, community rehabilitation, fast response teams,
 - Specialist nursing (eg, diabetes, cancer, palliative care),
 - Children's and family services (health visiting, school nursing, community paediatrics, specialist nursing and speech therapy),
 - Sexual health and family planning services,
 - Community equipment and wheelchair services,
 - Safeguarding children, smoking cessation,
 - Podiatry,
 - Salaried dental services,
 - Prison healthcare (Askham Bryan and Northallerton),
 - Minor Injuries Units and walk-in services,
 - GP Out of Hours Services
3. CMHS also provides mental health services across most of North Yorkshire - except in the Scarborough, Whitby and Ryedale area and in the Craven area where mental health services are provided by the Tees, Esk and Wear Valleys NHS Foundation Trust and the Bradford District Care Trust respectively.

Background

4. In January 2009 the Department of Health issued national guidance, "*Transforming Community Services: Enabling new patterns of service provision*" under which Primary Care Trusts (PCTs) are required to have determined the future organisational model for separating their provider and commissioning functions by October 2010. The Executive Summary from the guidance is attached as APPENDIX 1.

5. Locally, as a first step towards implementing Transforming Community Services, arm's length arrangements were agreed by the Board of the NHS NY&Y in March 2009 under which:
- the NY CMHS is hosted by NHS NY&Y until March 2011,
 - the model for PCT provided services will be determined by October 2010, and that
 - a plan would be in place in to enable implementation in post October 2010.

6. In March 2010 the Board of NHS NY&Y approved the text for a letter to the Strategic Health Authority:

“Future form of PCT provider services (Transforming Community and Mental Health Services)

In response to your letter of 19 February which included feedback on parameters for provider services, the Board of NHS NY&Y has agreed the following.

Discounted future options are:

1. Direct Provision
2. Social Enterprise
3. Community Foundation Trust

Further:

4. The Board agreed that current community based services should be integrated with one or more provider.
 5. In respect of current mental health services, NHS NY&Y is committed to integration of tertiary and secondary mental health services with one or more specialist mental health trusts. Primary mental health services will be considered further by the Mental Health Project Group and recommendations will be made to the Board Meeting on 27 April 2010.”
7. Sue Metcalfe, Deputy Chief Executive (Director of Localities) from NHS NY&Y will be attending the meeting to give an update on the stage that NHS NY&Y has reached on Transforming Community Services and to respond to Members' questions/comments. A report considered by the Board of NHS NY&Y on 22 June 2010 is attached as APPENDIX 2 and will form part of that update.

Department of Health Assurance and Approvals Process

8. In February 2010 the Department of Health published “*The assurance and approvals process for PCT provided community services*” which sets out the criteria SHAs had to

use to assess PCTs' proposals for new organisational structures. Those criteria are set out in APPENDIX 3.

9. But as a result of the changed political landscape on 21 June 2010 Sir David Nicholson KCB CBE NHS, Chief Executive issued the "*Revision to the Operating Framework for the NHS in England 2010/11*". The Revision updates the Operating Framework for 2010/11 in 5 areas, including, significantly, the *Future Direction and next steps on transforming community services*. APPENDIX 4 is an extract from the Revision which shows the additional conditions that PCTs must now meet in separating their commissioning and provider functions.

Recommendations

10. Members consider and offer advice to NHS NY&Y on the process being followed under Transforming Community Services, particularly in the light of the Revision to the NHS Operating Framework issued on 21 June 2010.
11. Members explore the measures NHS NY&Y is putting in place to ensure that dividing up its community healthcare and mental health services across a number of NHS trusts will not have a detrimental impact on services to children and young people, adults and older people currently delivered in partnership with the County Council and the community/voluntary sector.
12. The Chairman be delegated responsibility to respond accordingly on behalf of the Committee on the basis that all Members will be sent a copy of his response.

HUGH WILLIAMSON
Head of Scrutiny and Corporate Performance
County Hall. NORTHALLERTON

Written & Presented by Bryon Hunter
Principal Scrutiny Officer – Health
BH/28 June 2010

Background Documents: None



EXECUTIVE SUMMARY

Transforming Community Services:

Enabling new patterns of provision



DH INFORMATION READER BOX

Policy HR/Workforce Management Planning/ Clinical	Estates Commissioning IM & T Finance Social Care/Partnership Working
Document purpose	Best Practice Guidance
Gateway Reference	10850
Title	Transforming Community Services: Enabling New Patterns of Provision
Author	Transforming Community Services team, DH
Publication date	13 Jan 2009
Target audience	PCT CEs, SHA CEs, PCT Chairs
Circulation list	NHS Trust CEs, Care Trust CEs, Foundation Trust CEs, Directors of Nursing, Local Authority CEs, Directors of Adult SSs, NHS Trust Board Chairs, Special HA CEs, Directors of HR, Directors of Finance, Allied Health Professionals, GPs, Communications Leads, Directors of Children's SSs, Voluntary Organisations/NDPBs, Trade Unions
Description	This enabling guidance is intended to help PCT providers of community services to move their relationship with their commissioners to a purely contractual one, consider what type(s) of organisations would best meet the future needs of patients and local communities, and how change can be managed to support the transformation of services to patients.
Cross ref	Transforming Community Services: Resource Pack for Commissioners of Community Services
Superseded docs	N/A
Action required	N/A
Timing	N/A
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Transforming Community Services:

Enabling new patterns of provision

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Executive Summary

High Quality Care for All has set a clear overall vision – to make quality the organising principle for the NHS. It defines quality as spanning three areas: patient safety, patient experience and the effectiveness of care. These three things taken together will make a quality service. This will require transformational change – by clinicians and other front-line staff, by the organisations providing community services and by commissioners.

*Our vision for primary and community care*¹ made a public commitment to creating modern, responsive community services of a consistently high standard. We believe that this is what patients and communities need and deserve, and what staff want to deliver.

This is why we have placed quality and enabling transformational change at the core of the Transforming Community Services programme. We have already begun to co-produce with the NHS a Quality Framework for community services. This is being designed to reflect the particular circumstances and challenges of community services. An equally high priority is enabling transformational clinical practice – disseminating best practice and investing in developing clinical and leadership skills.

In parallel, we need to transform the commissioning of community services. We are doing this through World Class Commissioning, and by providing commissioners with the tools they need to drive service improvement – a new standard contract, guidance on costing and pricing, information and metrics.

But to secure modern, high quality community services we also need to ensure that the organisations providing them are fit for purpose. We need modern organisations, which enable and empower front-line staff to innovate and free up their time to care for patients. Organisations which empower all clinicians to shape the future of community services, and provide them with the support and resources they need to be world class practitioners. Organisations which have a robust business infrastructure, capable of contracting with commissioners and effective business planning. Such organisations also need to be sustainable and flexible – capable of evolving to meet an increasingly challenging environment of rising patient expectations, more demanding PCT and practice-based commissioners (wanting higher service quality, more effective targeting of resources to need, and better value), and increasing patient choice.

The aim of this enabling document is to help providers of community services to meet these challenges by considering what type(s) of organisations would best meet the needs of patients and local communities (informed by a thorough needs analysis), and how such change can be managed well to support the transformation of services to patients. This includes following good workforce practice, and timely and sustained engagement with key local stakeholders. Retaining skilled and well-motivated teams of clinical and non-clinical staff during a period of change will be

¹ *NHS Next Stage Review: Our vision for primary and community care*, Department of Health, July 2008

a critical factor in maintaining and improving the quality of provision of services to patients. Early engagement with staff and their trade unions will be central to the success of a strategic approach to transforming community services.

There is no national 'blueprint'. Decisions will be taken locally by PCT Boards as the responsible statutory authorities, with processes and decision-making assured by Strategic Health Authorities. To help support local decision-making, a set of guiding principles should underpin this transformational change. These include:

- > the interests of patients and carers must be paramount;
- > quality is the organising principle – organisations must enable the provision of safe, effective, personalised care. This will require the capacity and capability for transformational service change;
- > a pre-requisite for PCTs is a clear commissioning strategy, with improving quality and reducing inequalities at its core;
- > proposals must also be able to deliver value for money for tax-payers;
- > decisions about how services are provided should be led and made locally, with robust consultation processes;
- > recognition that services differ in their characteristics and the people they serve, and therefore that different solutions may suit different services, even within the same locality;
- > the early and continued involvement of staff, trade unions and stakeholders before any decisions are made;
- > high standards of human resource management should be followed;
- > assurance, approval and authorisation processes must be clear, robust and transparent;
- > proposals must enable integrated care including with Local Authority services where appropriate, World Class Commissioning and patient choice;
- > proposals must fit with the Department's published *Principles and Rules for Cooperation and Competition*;
- > options are equality impact assessed;
- > provision of safeguards for service continuity, assets² and staff pensions.

²Control of current PCT property should be protected in the interests of taxpayers and to ensure that commissioners have sufficient leverage to drive change and improve quality. As a rule, property will not be transferred to providers and PCTs will be encouraged to develop strategic partnerships that make the best use of estate.

One of the reasons for producing this guidance is the current highly variable pace of organisational change to services directly-provided by PCTs. Decisions should be led locally, but it is in everyone's interest that change is managed coherently, to high standards, and reflects the consistent application of common guiding principles and criteria. As part of good leadership and to reduce uncertainty, all PCT boards should start to engage their staff, unions, communities and stakeholders about the likely future direction for the provision of their community services.

The requirement to '*create an internal separation of their operational provider services, agree SLAs, based on the same business and financial rules as applied to all other providers*' was included in the NHS Operating Framework for 2008/09. Therefore **by April 2009 all PCT direct provider organisations should have moved into a contractual relationship with their PCT commissioning function, using the national contract for community services in 2009/10**. This means ensuring sufficient separation of roles within the PCT to avoid direct conflicts of interests.

It is anticipated that, **by October 2009**, PCT commissioners, working closely with their practice-based commissioners, will have developed a detailed plan for transforming community services, including how they intend to enhance patient choice, for agreement with their SHA. To the same timescale, PCT provider services should review (in consultation with local staff and trade unions) and assure themselves that they have the best governance arrangements to sustain high quality community services that best suit local need and circumstances, and whether to declare an interest in establishing new governance arrangements, such as a social enterprise or Community Foundation Trust.

There is a range of potential options for providing community services, from PCT provider services (which will continue to be an option where well-led, well-managed and more business-like), through Community Foundation Trusts, social enterprises for which there is a right to request, integration with other NHS organisations, and PCTs contracting with integrated care organisations, or non-NHS bodies. Different forms may suit different services and hybrid organisations derived from more standard original models may well emerge as systems evolve. *There is no prescribed ideal form and it is a matter for local determination.*

Key points for Chief Executives

- > the drivers are for modern, innovative community services that have direct benefits for patients, are responsive to local need, and promote seamless care through increased opportunities for integration of health and social care services;
- > there is a clear timetable for PCT provided services to move into a contractual relationship with their PCT commissioning arm, and to develop plans for transforming community services and options for future organisational forms. PCTs can move more quickly provided certain requirements are met;

- > ensure clarity about the future ownership of assets;
- > ensure robust arrangements are in place for staff engagement and trade union consultation throughout the process;
- > the processes outlined enable a PCT to commissioning fairly, whilst developing its in-house provider to become business ready, exercise a right to request, and have “first call” in the initial stages;
- > the leadership, capability and capacity of the provider sub committee needs to be of a sufficiently high calibre to take forward new patterns confidently and competently, with appropriate development programmes to enable this;
- > services and business continuity must be maintained during these management changes so that patient care is not compromised;
- > the SHA has a clear role in assuring the process leading to the PCT Board decision of new patterns of community service provision.

Key points for PCT Boards

- > the evidence of benefits to patients and value for the taxpayer of options must be clearly demonstrated;
- > decisions will be taken locally by PCT Boards as the responsible statutory authorities, with processes and decision-making assured by Strategic Health Authorities;
- > the process is underpinned with robust governance arrangements;
- > the role and responsibilities of Non-Executive Directors (NEDS) are discharged in a manner which allows them to fulfil the terms of their appointment to the corporate PCT Board;
- > the inevitable split of the Board is managed in such a way to expose and manage conflicts of interest in an open, transparent manner;
- > the interests of the workforce are appropriately addressed and safeguarded during the period of preparation and implementation;
- > the timeframe and remuneration for the creation of new Boards as a consequence of the separation and provider market development is clarified.

APPENDIX 2

Item Number:

**NHS NORTH YORKSHIRE AND YORK
BOARD MEETING**



North Yorkshire and York

Meeting Date: 22nd June 2010

Report's Sponsoring Director:

**Sue Metcalfe, Deputy Chief Executive
(Director of Localities)**

Report Author:

Annabel Johnson, Assistant Director

1. Title of Paper: Transforming Community & Mental Health Services – Provider Form Project Update

2. Strategic Goals supported by this paper:

Goal 4 - Clinically and financially sustainable healthcare system. The decision about provider form for CMHS will contribute to creating a sustainable healthcare system.

Goal 4 - Highest quality care in the right setting. In considering provider form we aim to provide high quality care in the appropriate setting.

Goal 6 - Strong partnerships focused on the individual. Through discussion about provider form for CMHS we aim to build stronger partnership arrangements to enable improved focussed on the individual.

3. Executive Summary

Following the publication of the operating framework in December 2009 PCTs were required to have determined the future organisational model for PCT provided services by October 2010 at the very latest. The Board has previously agreed that: CMHS will hosted by NHS NYY until March 2011, that the model for PCT provided services will be determined by October 2010 and that a plan will be in place to enable implementation to commence post October 2010. This paper provides an update to the Board of the progress made on provider form, which is a significant project within the strategic initiative 'an improved community system'.

4. Introduction

See above

5. Issue/options

Not applicable

6. Risks relating to issue/options

Governance arrangements are in place to ensure that all risks are managed and currently all risks are being managed without the need for further escalation

7. Finance / resource implications

Not applicable

8. Statutory/regulatory/legal implications

These implications are being addressed through the governance arrangements in place.

9. Working with stakeholders/communications plan

Stakeholder analysis and a communications plan have been finalised and agreed and are now being implemented.

Staff engagement is critical to this project and comprehensive plans are in place to ensure this is achieved

10. Recommendations / Action Required

The Board is asked to note and support the progress of this Programme.

11. Assurance

The Board will receive monthly updates regarding progress of this project.

For further information please contact:

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NHS NORTH YORKSHIRE AND YORK

Board Meeting: 22nd June 2010

Report Title: Transforming Community & Mental Health Services – Provider Form Project Update

1. Introduction

- 1.1 Following the publication of the operating framework in December 2009 PCTs were required to have determined the future organisational model for PCT provided services by October 2010 at the very latest. The Board has previously agreed that; CMHS will be hosted by NHS NYY until March 2011, that the model for PCT provided services will be determined by October 2010 and that a plan will be in place in to enable implementation in post October 2010. The Board has already discounted a range of provider models recorded in a letter to the Strategic Health Authority (SHA).

2. Project Governance

- 2.1 The governance structure is now well embedded which ensures that this project is part of the 'improved community system' strategic initiative outlined in the strategic plan. The decision making body for this project is NHS NYY Board.

3. Progress on Community Services – Groupings of Services

- 3.1 The **Locality System Boards** (LSBs) have met a number of times with key stakeholders. The following organisations have been invited to either attend the meetings or be involved in the process in a way that suits them (e.g. other large stakeholder groups):

- Local Acute provider(s)
- Mental Health Provider
- CMHS
- Practice Based Commissioning consortia
- District Council(s)
- County Council / City Council (Adult & Children's Services)
- CVS
- LINKS
- Large local stakeholder groups

If those listed have not been able to attend meetings (in particular LINKS) the PCT has offered to meet with them separately to ensure their views are acknowledged. This has enabled discussion about the current configuration of community services, including presentations from CMHS which has informed their recommendations about appropriate groupings of services as we move into the managed

process. LSBs were asked to consider whether services should be provided on a locality basis or Pan NYY.

- 3.2 The **Community Programme Board** has also met a number of times and the membership has been extended to include representation from North Yorkshire County Council and City of York Council.

At the meeting in June the Board considered the views of the councils, LSBs, commissioning subject matter experts and CMHS about the groupings of services. It should be noted that NYCC were consistent in their approach that a county wide solution would be preferable from their perspective. However there were varying views across the localities which were highlighted at the LSBs.

Extensive staff engagement has also been undertaken through a variety of mechanisms to ensure that all staff have been and will be able to voice their views. The views of a third of the workforce have been captured through these mechanisms. Key points to note from views collated so far are that:

- integration with an acute or mental health trust are the preferred options and
- retaining NHS terms and conditions is important as is remaining an NHS employee
- the ability to influence quality patient care, improve outcomes and experience for patients is seen as important as is continuity of care
- there is still some confusion over the process and rationale for transforming community and mental health services and therefore some cynicism
- current information needs are being met, but there is a recognition that the intranet is not being accessed by all staff

At the Programme Board it was noted that when considering the groupings of services approximately 80% of the initial recommendations from the various sources were the same. The areas where there was a difference of opinion were debated and collective agreement was reached for example: podiatry and speech and language therapy.

- 3.3 As the managed process continues the groupings of services will determine the 'lots' of services that will be available to providers. It is important to ensure that these 'lots' contribute to enhancing patient care and are therefore focussed around patient pathways and do not lead to unnecessary fragmentation of services. A flexible approach will also need to be adopted to ensure that we enable the market to respond appropriately, for example providers will be able to 'bid' to provide services in more than one locality. It was also noted that in some instances a one year solution may be required, whilst the service

is reviewed and possibly re-commissioned in another way. The programme board made the following recommendations:

Services that could be provided/managed on a locality basis:

- Older people and vulnerable adults services (district nursing, community matrons, falls assessment, case management, fast response teams, community rehabilitation, community hospitals)
- Specialist nursing services (tissue viability, heart failure, cardiac rehabilitation, diabetes, respiratory, continence and palliative care, cancer and lymphoedema services)
- Children's and family services (health visiting, school nursing, community paediatrics, specialist nursing and speech and language therapy) with a clear aim that there must be integrated approaches to working to ensure coterminosity with local authority boundaries and alignment with primary care
- Sexual health and family planning services – with close alignment to children and families
- Extended scope services (MSK, physiotherapy, chronic pain and fatigue, nutrition and dietetics, speech and language therapy)

Services that could be managed on a pan NYY basis (with locality delivery)

- Community equipment and wheelchair services
- TB liaison and infection prevention and control
- Safeguarding children
- Smoking cessation
- Salaried dental services
- Podiatry
- Prison healthcare (Askham Grange and Northallerton)
- Minor injury units and walk in services
- GP OOH services

3.4 The Managed Process

Having taken advice from the Competition and Co-operation panel, the SHA, the Commercial Procurement Collaborative (CPC) and a range of other PCTs it was agreed by NYY PCT Board that the PCT should follow an open and transparent managed process. The following process is currently underway:

- Advert in Yorkshire Post on 1st and 3rd June inviting expressions of interest from providers. Providers were able to access a memorandum of information and complete a pre-qualification questionnaire.
- A launch event took place on 11th June which was attended by 11 providers including local acute trusts and some GP consortia. A presentation was given by the Deputy Chief Executive and Managing

Director outlining the commissioning priorities for community services and the current configuration of services.

- The closing date for expressions of interest and completion of a pre-qualification questionnaire is 18th June.
- The membership and Terms of Reference for the assessment panel have been agreed and are attached at Appendix One.
- The short listing assessment panel takes place on 25th June. Successful providers will be notified week commencing 28th June and supplied with a provider information pack. They will be asked to produce a strategic outline case and a presentation for consideration in early July. This will also be the beginning of the dialogue phase where managed discussions will take place with short listed organisations.
- Providers will submit their strategic outline cases on 6th July and they will give presentations to the PCT assessment panel on 9th July.
- The panel will re-convene on 14th July to make initial recommendations about preferred providers. These recommendations will be presented at the 27th July Board meeting.
- Once preferred providers are agreed a process of validation and dialogue with PBC and PCT commissioners will take place throughout August and September to enable board agreement and sign off to take place at the 26th October Board meeting.

4. Progress on Mental Health

The mental health transfer group has met and agreed Terms of Reference for the mental health project. Chairs of the relevant PBC groups have been contacted and invited to attend the mental health transfer meetings, be involved in the development of new service specifications and in the overall procurement exercise.

Lead commissioners at NHS NYY have met with CPC to clarify the arrangement of the project management and procurement support from CPC to NHS NYY during the mental health transfer; it is understood the procurement exercise will take approximately 2 years from start to completion (which includes staff TUPE to new organisation). The timescales for delivery will be finalised once the project specification has been agreed with CPC. A meeting has been arranged in July with Bradford District Care Trust to discuss the possibility of the Craven locality mental health services being included in the mental health procurement exercise.

5. Recommendation

The Board is asked to approve the groupings of services and support the progress of this Programme.

Transforming Community Services – Assessment Panel

Terms of Reference

Purpose

The overall purpose of the Transforming Community Services (TCS) Assessment panel is to:

- Shortlist potential providers from Initial Expressions of Interest received by the PCT
- Assess short listed providers for community services against a set of agreed criteria and make decisions based on that agreed criteria.
- From short listed providers make recommendations to NHS North Yorkshire and York Board of suitable provider models of delivery.

The assessment panel will adhere to the Department of Health TCS assessment criteria, which have been consistently highlighted throughout the process and will also utilise the information provided by the Locality Boards, CMHS Provider team, speciality managers and staff.

The assessment panel will also adhere to the timetable agreed with Y&H SHA with an October completion date for Community Service agreed models, meaning that the process will be a Managed Process and not a full tender.

The overall aim is to ensure the delivery of modern, high quality and sustainable community services which are responsive to individual needs of service users, whilst offering best value for money.

Accountability

The Assessment Panel will make recommendations and report to the Board of NHS North Yorkshire and York.

Risks and Issues

The Assessment Panel will be responsible for identifying, mitigating and reporting any risks to the successful delivery of the TCS project.

Membership

Full Panel members with decision making rights

Jayne Brown, CEO (Chair)

Sue Metcalfe, Deputy CEO
Dr Vicky Pleydell, Clinical Executive
Dr John Letham, PBC rep
Geoff Donnelly, NED
Debbie Newton, Deputy Director Finance
Gary Hardman, Director of Quality, Lead Nurse

Observers with speaking rights (no decision making rights)

Janet Probert, Managing Director CMHS
Dave Hendy, Staff Side Rep
Local Authority Representative NYCC, (if not bidding)
Local Authority Representative CYC, (if not bidding)

Supporting Staff

Annabel Johnson, Asst Director Strategy
Robyn Carter, Asst Director CMHS
Kate Tattershall, Project Manager

Simon Cox, Locality Director, East
Amanda Brown, Locality Director, Central
Alex Morton-Roberts, Locality Director, York
Amanda Bloor, Locality Director, West.

Amanda Wilcock – Associate Director Human Resources.

Business Conduct

11 June 2010 - Information event for interested providers
By 18 June – PCT to receive expressions of interest.

The Panel will meet on:

- 25 June 2010 to short list providers
- 9 July 2010 to assess Strategic Outline Case and Presentations
- 14 July 2010 to finalise recommendations to PCT Board



EXTRACT FROM

Transforming Community Services

The assurance and approvals process for PCT-provided community services

DH INFORMATION

Policy HR/Workforce Management Planning/ Clinical	Estates Commissioning IM & T Finance Social Care/Partnership working
Document Purpose	Best Practice Guidance
Gateway Reference:	13306
Title	Transforming Community Services: The assurance and approvals process for PCT-provided community services
Author	Transforming Community Services team, DH
Publication Date	5 February 2010
Target Audience	PCT CEs, NHS Trust CEs, SHA CEs, Care Trust CEs, Foundation Trust CEs, Medical Directors, Directors of PH, Directors of Nursing, Local Authority CEs, Directors of Adult Ss, PCT Chairs, NHS Trust Board Chairs, Special HA CEs, Directors of HR, Directors of Finance, Allied Health Professionals, GPs, Communications Leads, Emergency Care Leads, Directors of Children's Ss
Circulation List	Voluntary Organisations/NDPBs, Trade Unions
Description	This guidance supports PCTs and SHAs in an assurance and approvals process for community provider organisational forms. It includes a set of national tests against which proposals for new organisational forms will be assured.
Cross Reference	Transforming Community Services: Enabling New Patterns of provision
Superseded Documents	N/A
Action Required	PCTs to take into account national assurance and approvals process, including assurance tests set out within this guidance.
Timing	By 31 March 2010
Contact Details	Transforming Community Services Department of Health 6th Floor, New King's Beam House Upper Ground London SE1 9BW www.dh.gov.uk/tcs transformingcommunityservices@dh.gsi.gov.uk
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	No	Test	Areas to be assured by PCT and SHA
Quality Improvement	1	<p>Improving Outcomes</p> <p>Will it meet patient needs and deliver improved local health outcomes as identified in the PCT strategic commissioning plan and Local Area Agreement (LAA), and significantly better patient experience (including Choice)?</p>	<ul style="list-style-type: none"> • The fit with the PCT Commissioning Strategy and priority outcomes as identified in World Class Commissioning, including joint commissioning plans • That there are robust plans which show how patient experience for all groups will be significantly improved, and assess the impact on inequalities.
	2	<p>Improving Quality</p> <p>Will it deliver significant improvements in quality of service and outcomes delivered?</p>	<ul style="list-style-type: none"> • That there are identified improvements in quality of service outcomes to be delivered • That there is a clear plan and capability to shift from acute to out of hospital care • That the improvements in quality will be sustained
	3	<p>Service Integration</p> <p>Will it deliver significant improvements in service integration and quality of health and social care?</p>	<ul style="list-style-type: none"> • The proposals demonstrate at patient and pathway level how service integration will be enhanced to improve care • Show how the proposal supports primary, community, secondary, children's services and social care partners to increase prevention through more integrated approaches

	No	Test	Areas to be assured by PCT and SHA
Quality Improvement	4	<p>Stakeholder Engagement</p> <p>Has it got the engagement and support of key stakeholder groups?</p>	<ul style="list-style-type: none"> • The extent of engagement to date with all key stakeholders including staff, SPF, patients, the public, OSCs, LINKs and local service partners and their relevant partnership Boards • The extent of support from key stakeholders including staff, SPF, patients, the public, OSCs, LINKs and local service partners and their relevant partnership Boards • Specific plans for workforce engagement to deliver transformed services • Specific plans which demonstrate how the proposals will bind in the support of primary and social care and children's services • Evidence of robust planning involving all key stakeholders for: <ul style="list-style-type: none"> – future engagement and involvement – any necessary consultation
Increased Efficiency of Solution	5	<p>Efficiency Improvements</p> <p>Will it deliver substantial improvements in the technical and allocative efficiency of the services being delivered?</p>	<ul style="list-style-type: none"> • The proposals will help deliver the efficiency improvements set out in the NHS Operating Framework 2010/2011 • The proposals explain how, and the extent to which, they will deliver technical efficiencies in 2010/2011 and 2011/2012 • The proposals set out how allocative efficiencies will be delivered in 2011/2012 and thereafter • Identified reductions in fixed costs including management and transaction costs
	6	<p>Infrastructure Utilisation</p> <p>Will it maximise utilisation of own (and any integration partners) estate and infrastructure?</p>	<ul style="list-style-type: none"> • The proposals will identify steps to increase utilisation and efficiency of back office estate and other infrastructure. They will identify scope to share use of assets more efficiently with other partners including local authorities • How will the proposal improve the utilisation of all NHS owned or used estate and infrastructure? • The proposals will identify any surplus assets and infrastructure that will be released by the proposals

	No	Test	Areas to be assured by PCT and SHA
Sustainability of Solution	7	Sustainability Will it be clinically and financially sustainable? ¹⁰	<ul style="list-style-type: none"> • Show how proposals will be sustainable in the long and short term, clinically, financially and in terms of infrastructure • Show how the proposals will give PCTs with LA and PBC partners the leverage in the local health economy to deliver <ul style="list-style-type: none"> – strategic commissioning plans – continued service transformation and realignment – continuing contestability and service innovation • Show how the proposals will ensure that the local health economy has and retains a sufficiently skilled workforce to lead, develop and deliver new service models
	8	Whole System Fit Will it fit into and enable delivery of wider health economy service transformation and shifts in care?	<ul style="list-style-type: none"> • Demonstrate how solutions will deliver whole health economy effectiveness and efficiency • Show how the proposals will fit into current and future patterns of acute and out of hospital provision • Show how the proposals will contribute to delivering significant wider health system improvements in allocative efficiency • Have any potential adverse impacts of the proposals elsewhere in the local or wider health economy been identified and are there proposals for the management of those impacts?

¹⁰ If any proposal for continued direct provision is being considered, then the host PCTs would have to demonstrate very strong commissioning skills, including performance in WCC assessments equal to the thresholds set in the NHS Operating Framework 2010/2011. If those performance levels were not sustained then the DH and SHAs would reserve the right to review any continued direct provision.



EXTRACT FROM

Revision to the Operating Framework for the NHS in England 2010/11

DH INFORMATION READER BOX	
Policy HR / Workforce Management Planning / Clinical	Estates Commissioning IM & T Finance Social Care / Partnership Working
Document Purpose	Action
Gateway Reference	14374
Title	Revision to The Operating Framework for the NHS in England 2010/11
Author	DH/NHS Finance, Performance & Operations
Publication Date	21 Jun 2010
Target Audience	PCT CEs, NHS Trust CEs, SHA CEs, Care Trust CEs, Foundation Trust CEs, Local Authority CEs, NHS Trust Board Chairs, Special HA CEs, Directors of Finance, Communications Leads, Directors of Performance
Circulation List	Voluntary Organisations/NDPBs
Description	The Operating Framework for 2010/11 published on 16 December set the agenda for the year. This document sets out the areas subject to immediate change for the NHS during 2010/11, as the first steps towards a health service which puts patients at the heart of decision-making, which focuses on quality and outcomes not processes and with more devolved responsibilities.
Cross Ref	The Operating Framework for the NHS in England 2010/11
Superseded Docs	N/A
Action Required	N/A
Timing	N/A
Contact Details	David Flory NHS Finance, Performance & Operations Directorate Department of Health Richmond House 79 Whitehall London SW1A 2NS
For Recipient's Use	

Future direction and next steps on transforming community services

18. Separating PCT commissioning from the provision of services remains a priority. This must be achieved by April 2011, even if this means transferring services to other organisations while sustainable medium-term arrangements are identified and secured. PCTs should therefore continue to develop and review proposals for the divestment of their directly-provided community services, but in doing so ensure that:

- they have been tested with GP commissioners and local authorities;
- final proposals are consistent with the aims of the forthcoming NHS Strategy in strengthening the delivery of public health services and health services for children;
- they consider the implications for choice and competition;
- they consider a wide range of options, including the development and early delivery of Community Foundation Trusts and Social Enterprises, providing employee leadership and ownership;
- there has been effective engagement of staff and their representatives when considering options;
- previous proposals for continued direct provision are reviewed and alternative options developed which secure separation; and
- proposals should be capable of being implemented, or substantial progress made towards implementation, by April 2011.

19. Guidance on the approval process and timescale will follow publication of the forthcoming NHS Strategy. This may include an additional option of a staff membership Foundation Trust model for community services, where viable. Existing approved applicants for Community Foundation Trusts, however, should continue to prepare for the first step of being established as NHS Trusts.

20. Looking forward, we shall develop proposals for a phased move towards an 'Any Willing Provider' model for community services, addressing barriers to entry to greater participation by the independent and voluntary sector.