

Transforming Community Services Future Organisational Form(s) Briefing Paper for Stakeholder workshop September 2010

1. Introduction

The national Transforming Community Services (TCS) programme aims to strengthen community services, bringing healthcare closer to people's homes and achieving clear commissioning intentions and delivery systems to transform current patterns of provision.

The Department of Health, through the Operating Framework for 2010/2011, has accelerated the timeline for the delivery of the transforming community services programme and the future shape of provider services. In response to this NHS Devon has established a joint programme of work with Devon County Council (DCC) to develop and implement sustainable organisational solutions for community services that will transfer the integrated Devon Provider Services from current arrangements by April 2011 in line the national timetable.

This will build on work with stakeholders and staff to develop our whole system transformational (QIPP) programme to develop person centred care pathways that improve quality and ensure services are delivered in a more cost effective way.

The purpose of this briefing paper is to summarise the requirements for this programme of work and the key timelines, as well as the implications of this on deliverability of options by 1st April 2011. It sets out the process we are working through to deliver these requirements and progress to date.

The objectives of the programme have been set by the Programme Board to:

- Develop and implement sustainable organisational solutions for community services that will transfer the integrated Devon Provider Services from current arrangements by 1 April 2011
- To ensure quality and safety of services, and compliance with safeguarding duties during transition in line with appropriate statutory and regulatory frameworks.

2. Current Provision of Community Services

In Devon, the PCT's arms-length provider, Devon Provider Services (DPS), supplies a range of NHS and integrated health and social care services in Eastern and Southern Devon for adults and children. It also supplies children's services in Northern Devon.

Delivery of integrated health and social care for adults in Devon currently is at the local level through 22 complex care teams which are mapped to Primary Care Practice adult populations of approx 30,000 to 35,000; the Complex Care teams are organised into three geographical

areas (Northern, Eastern, & Southern) each of which is managed by an Assistant Director, Integrated Services.

The Northern locality services are delivered through vertical integration arrangements with Northern Devon Healthcare Trust with the Eastern and Southern localities being delivered by Devon Provider Services.

The total value of the NHS contracted services is £117m and this includes the value of sub-contracted services which support service delivery (eg medical cover in community hospitals; clinical and non-clinical SLAs). This breaks down as follows:

- Adult services £80m
- Specialist community services £14.5m
- Children's services £20.5m
- Public health services £2m

The aligned Devon County Council budget (which currently includes the adult social care for Northern Devon) is £111m gross for adult and £7m for children's services.

3. Future Organisational arrangements

In line with the principles that were developed at the Care Delivery System workshop in July, as well as the move towards locality focused commissioning and provision, our working assumption is to consider services in four groups. This split also reflects the outcome of the initial analysis of options in March 2010 which concluded that there is not a single option appropriate for all of community services which Devon Provider Services currently delivers.

The four groups are:

- Integrated adult services (with locality focused solutions being sought for south and eastern Devon)
- Specialist community services
- Children's services (Devon wide solution being sought)
- Public health services

At this stage, the joint NHS Devon/DCC programme board have agreed that the formal transfer of staff from the integrated managed Devon Provider Services to a new organisation(s) by 1 April will be for NHS employed staff only, with social care staff remaining employed by Devon County Council.

However to maintain and develop further the integrated service delivery arrangements prospective future providers would be required to be a partner who could potentially have social care staff assigned or seconded to them to enable the integrated arrangements for health and social care to be maintained.

Building on this the working assumption is to move towards a single accountable provider(s) for health and social care over time.

For Children and Public health services any organisational solution will be on an interim basis pending national guidance following the white paper publication.

4. Process for determining future organisational form

This section of the briefing describes the process that is underway to determine future organisational form(s). This comprises three elements:

- Option appraisal process
- Managed provider selection process for existing NHS trusts
- Development of proposals under right to request for Social Enterprise¹

As the timeframe to determine and implement future provider arrangements is extremely challenging with only 29 weeks left to the 1st April 2011 deadline (as at 10th September), these processes are happening in parallel and will all inform subsequent NHS Devon Board decision making. These elements of the process will be underpinned by stakeholder and staff engagement.

The programme of work is being delivered in line with national and SHA guidance on transactions which reflect rules around co-operation and competition. The timescale for the transaction approval process does not allow for open procurements not already commenced to be completed by 31 March 2011.

The national guidance on TCS recommends using a managed process where commissioners wish to consider selecting an NHS provider to run services on either a normal contractual or short term hosting basis. Therefore in line with the guidance we are running a managed NHS provider selection process for existing NHS trusts and NHS Foundation Trusts alongside a process for considering the option of establishing a Social Enterprise under the right to request scheme described later.

The national cooperation and competition rules do not permit the use of a managed process to select a primary care provider (even if it is established as a social enterprise) and require an open procurement process for any services where commissioners wish to consider such organisations as future providers of PCT provider arm services.

Local Authority as a provider in its current form is not being considered.

Option appraisal

The first step has been a desktop appraisal of options. The purpose of this exercise was to make an informed objective judgement on a range of alternative forms of service delivery for the services currently provided by DPS by comparing each potentially viable alternative form of provision with the existing form using an agreed set of evaluation criteria: Quality improvement, Efficiency improvements, Sustainability, Contract performance, Workforce, Ethical principles.

The outcomes of the desktop appraisal will inform the stakeholder event on 15th September, which in turn will inform the discussion and decision on preferred option(s) at the NHS Devon Board on 29th September.

¹ A Social Enterprise is a business with primarily social objectives whose surpluses are principally re-invested for that purpose in the business or in the wider community. Staff and stakeholders should be involved in the governance of a social enterprise.

Social Enterprise Right to Request

The Next Stage Review Report, published in June 2008, gave all Primary Care Trust provider staff the right to request to set up a social enterprise to deliver services.

A right to request submitted by the Audiology Service has already been formally endorsed by the Department of Health.

The deadline for receipt of expressions of interest by NHS Devon is Friday 17th September for consideration by the TCS Programme Board with recommendations to NHS Devon Board on 29th September, prior to submission to the NHS South West on 30th September.

Managed provider selection process

NHS Devon has initiated a managed process for the selection of potential NHS trust providers in parallel with the process to finalise the preferred option. A draft prospectus has been shared with all NHS trust providers in Cornwall, Devon, Dorset and Somerset with briefing events planned for September and October.

Providers will be requested to submit a questionnaire by 24th September and a shortlist of potential providers will be agreed by the Board on 29th September.

The shortlisted provider presentations and interviews are planned for 19th October. Formal approval of the preferred providers will be made by NHS Devon Board at the latest at its meeting on 24th November.

Stakeholder engagement

Engagement in the development of community services has been ongoing through the development of the 'Way Ahead' and the Community Services Commissioning Strategy. Most recently, in March and July 2010 stakeholder events considered the future development and configuration of community services. The event on 15th September will build on this: reviewing the outcome of the desktop options appraisal and seeking to build consensus on the future organisational form(s).

Department of Health advice is that transfer of the provider arm is an organisational change and is therefore not subject to public consultation. However building on our stakeholder events we will continue to communicate and involve stakeholders and staff, including Devon Adult Health and Social Care Scrutiny Committee.

Staff engagement

A number of events have been held with staff over the last year on the Transforming Community Services agenda. Most recently a series of staff events were held during the week commencing 6th September to brief staff on the programme of work and give them the opportunity to express their views about the options being considered. The feedback from these events will be shared at the stakeholder event referred to above.

5. Outcome of initial desktop options appraisal

This section sets out the overarching outcomes from the desktop process. These will be explored in more depth at the stakeholder event on 15th September including table top discussion of the benefits and risks of the different options.

The desktop evaluation was carried out for each group of services and considered the relative advantages and disadvantages of each organisational type compared to the current provision, against the agreed criteria. For each organisational type the outcome showed it to be either potentially beneficial compared to now, equivalent to now, or potentially less beneficial than now.

This exercise was run using the experience and local knowledge of the team involved in the process together with any available national evidence. Whilst these processes are designed to be as objective as possible their limitations are recognised.

The outcomes of the process described below, alongside the input from staff engagement, and GP consortia are intended to stimulate further discussion at the stakeholder event.

Integrated adult services

Discussions around the design of the care delivery system point towards integrated teams which cover community hospital and community based services. This along with the need to be mindful of the number of potential transactions that would be required by April 2011 has led to the conclusion that we should consider integrated adult services as a whole.

For integrated adult services as a whole, the desktop option appraisal identified other NHS trusts providing community as potentially beneficial and mental health NHS trusts, social enterprise or acute NHS trust as being equivalent organisational forms. Key influences in this were the level of existing experience in providing community services and associated clinical governance structures, the likely response of stakeholders, competition and merging of cultures.

Integrated children's services

For children's services any organisational solution will be on an interim basis pending national guidance following the publication of the forthcoming white paper.

The outcome of the desktop option appraisal was that Social Enterprise, and existing NHS community or mental health trust would be at least equivalent forms of provision. The experience of providing these services together with the understanding and structures to deliver safeguarding were important in reaching this conclusion.

Specialist community services

The outcome of the desktop option appraisal is as follows:

- For sexual health services an existing acute NHS trust would be a potentially beneficial form.
- For podiatry, tissue viability, bladder & bowel services Social Enterprise, existing NHS community trust or primary care provider would be at least equivalent forms.
- For Walk-in centres and DVT services an existing NHS community trust or Social Enterprise would be at least equivalent forms.
- For the Clock Tower surgery a primary care provider (procurement would be required for this option), Social Enterprise or mental health NHS trust would be at least equivalent forms.

In each case the experience of this type of provision, together with the fit with other services provided, and organisational culture were important influences.

Public health and health promotion services

As with children's services, for public health services any organisational solution will be on an interim basis pending national guidance following the publication of the forthcoming white paper.

The outcome of the desktop option appraisal is that a primary care provider (procurement would be required for this options), Social Enterprise, or existing mental health or community NHS trust would be at least equivalent forms. This reflects the fact that these services have a better fit with these types of organisations and offer opportunities for improving pathways for particular groups of patients.

6. Summary and next steps

The desktop options appraisal is one part of the managed process and will inform stakeholder discussions on 15th September.

A final decision on the preferred organisational form(s) will be made by NHS Devon Board on 29th September. This will be informed by this option appraisal, discussion with staff groups and the stakeholder discussions mentioned above.

At the same time NHS Devon Board will consider the shortlist of existing NHS trust providers as outlined in the managed selection process and rights to request for social enterprise.