

Item 6: NHS Transition: Update.

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To: Health Overview and Scrutiny Committee, 20 July 2012

Subject: NHS Transition Year 2012/13: Background Note

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## 1. Introduction.

- (a) ***The Health and Social Care Act*** received Royal Assent on 27 March 2012. The intention is for the bulk of the statutory changes to come into effect on 1 April 2013. Although much preparatory work has been undertaken already, many details will only become apparent through the passage of secondary legislation and publication of guidance. Some of these will be preceded by further consultation documents.
- (b) This Background Note looks to set out some of the main actions which will be taken over the next year to prepare for the transition.<sup>1</sup> It is not a detailed description of the new landscape.

## 2. Commissioning.

- (a) Local commissioning will be largely the responsibility of ***Clinical Commissioning Groups (CCGs)*** covering a specific geographical area with identified GP member practices. The current estimate is for 212 across England. The size of the CCGs varies from Corby, with 6 practices and 67,800 population, and North, East, West Devon, with 130 practices and 901,200 population.<sup>2</sup>
- (b) Maps of the proposed geographical boundaries for Clinical Commissioning Groups across England and South East England are appended to this note.<sup>3</sup>
- (c) Most of the emerging CCGs have been established as sub-committees of Primary Care Trust (PCT) clusters with delegated responsibility for around 59% of their future commissioning budgets. This percentage will increase over the year.
- (d) Before taking up full statutory powers and responsibilities in April 2013, CCGs need to be authorised by the ***NHS Commissioning Board***

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<sup>1</sup> Information in this Background Note primarily sourced from: Department of Health, *The Month. March 2012*, <http://www.dh.gov.uk/health/category/publications/bulletins/the-month/>, except where indicated.

<sup>2</sup> Department of Health, *The Month June 2012*, p.6, <http://www.dh.gov.uk/health/2012/06/the-month-55-june-2012/>

<sup>3</sup> England map sourced from NHS Commissioning Board, <http://www.commissioningboard.nhs.uk/files/2012/07/a3-ccg-proposed-boundaries.pdf>; South East England map adapted from NHS Commissioning Board, <http://www.commissioningboard.nhs.uk/files/2012/07/south-east.gif>

**(NCB, or the Board)**. The first wave of applications by emerging CCGs will occur in July 2012. The intention is for the initial round of assessments of emerging CCGs to be completed by January 2013. Where authorisation is subject to conditions, this will allow time for arrangements to be made.

- (e) The NCB is also working with GP leaders on an 'assembly' as a way of effectively engaging all CCGs where joint working is needed. An agreed system will be in place by autumn 2012. A letter setting out further detail about the NHS Commissioning Assembly was published on 4 July 2012.<sup>4</sup>
- (f) Most PCT clusters are developing **commissioning support services (CSSs)** in order to be able to offer a range of services to CCGs. A number of different models are being developed and a full business case will need to be completed by the end of August with the NCB taking decisions on the hosting of CSSs in October 2012. National offers are also being developed in: major clinical procurement; business support; business intelligence; and communications and engagement. On 14 May it was announced that the development of a national NHS Communications and Engagement Services had stopped and an alternative business model was being developed.<sup>5</sup>
- (g) The NHS Commissioning Board was established as a special health authority (SpHA) in October 2011 and is leading the development of the new commissioning system. It will become an Executive Non-Departmental Public Body in October 2012 and begin preparatory work such as authorising CCGs. It will take on full statutory responsibilities in April 2013.
- (h) The NCB will be organised into nine national directorates, four sub-national regions (mirroring current Strategic Health Authority (SHA) cluster areas) and a network of 27 Local Area Teams (LATs). There will be 1 LAT coterminous with Kent and Medway.<sup>6</sup> It will directly commission primary care services, specialised NHS services, offender health services, military health services, a number of public health services as well as having a role in emergency planning and quality assurance of NHS services.
- (i) The NCB will also host a number of **clinical networks and senates** relating to different clinical areas and operating across a range of geographical areas. There will be a total of 12 senates, 1 will cover the

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<sup>4</sup> <http://www.commissioningboard.nhs.uk/files/2012/07/nhs-commissioning-assembly.pdf>

<sup>5</sup> NHS Commissioning Board, *Commissioning Support Services: Outcome of Checkpoint 2*, 14 May 2012, <http://www.commissioningboard.nhs.uk/2012/05/14/outcome-of-checkpoint-2/>  
See also, *Commissioning Support Bulletin Issue 3*, 9 July 2012, <http://www.commissioningboard.nhs.uk/2012/07/09/cs-bulletin-issue3/>

<sup>6</sup> NHS Commissioning Board: Local area teams, 20 June 2012, <https://www.wp.dh.gov.uk/commissioningboard/files/2012/06/lat-senates-pack.pdf>

South East Coast area, including Kent and Medway.<sup>7</sup> These will connect with the development of **academic health science networks (AHSNs)** and local education training boards (see section 7).

- (j) On 4 July 2012, a consultation paper on the draft mandate for the NHS Commissioning Board was launched the same day as the Secretary of State for Health's Annual Report.<sup>8,9</sup> Under the Health and Social Care Act 2012, the Secretary of State will be required to publish an annual report each year (the duty formally comes in 1 April 2013). The Secretary of State will also set out a multi-year mandate for the NHS Commissioning Board; this will be refreshed annually.

### 3. Provision.

- (a) As of the end of June 2012, there were 144 **Foundation Trusts (FTs)**. The intention is that all NHS Trusts will become Foundation Trusts either in their own right, as part of an existing FT, or in another organisational form by April 2014.
- (b) Those Trusts which are not yet FTs are having their performance assessed against milestones set out in Tripartite Formal Agreements (TFAs) agreed between the Trust, SHA, and Department of Health.
- (c) The **NHS Trust Development Authority (NTDA)** will be established as a Special Health Authority in June 2012 to be able to take on the responsibility for overseeing NHS Trusts from April 2013.<sup>10</sup>
- (d) By September 2012, patients will be able to choose from **Any Qualified Provider (AQP)** in at least three locally selected community and/or mental health services. In Kent and Medway, the following services were selected: diagnostic tests closer to home, musculo-skeletal services for back and neck pain and primary care psychological therapies for adults.<sup>11</sup>
- (e) To qualify as providers under AQP, there is a national qualification process where prospective providers must show they can meet NHS quality and other standards. Prices are fixed with national or local tariffs.
- (f) From 2013/14, the NCB and CCGs will determine which services to open up to AQP.

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<sup>7</sup> Ibid.

<sup>8</sup> Department of Health, *Consultation on new care objectives for improving health and healthcare*, 4 July 2012, <http://www.dh.gov.uk/health/2012/07/consultation-objectives/>

<sup>9</sup> Department of Health, Secretary of State's Annual Report 2011/12, 4 July 2012, <http://www.dh.gov.uk/health/files/2012/07/Secretary-of-State's-Annual-Report-2011-2012.pdf>

<sup>10</sup> See NHS Trust Development Authority website for further information, <http://www.ntda.nhs.uk/about/>

<sup>11</sup> NHS Kent and Medway Cluster Board Minutes, 28 September 2011, Item 8, [http://www.westkentpct.nhs.uk/PCT\\_Board\\_Meetings/28\\_September\\_2011/index.html](http://www.westkentpct.nhs.uk/PCT_Board_Meetings/28_September_2011/index.html)

- (g) The Health and Social Care Act sets out a framework for the regulation of the healthcare sector. One of the key features is joint working between **Monitor**, the **Care Quality Commission (CQC)** and NCB.

#### 4. Health and Wellbeing Boards.

- (a) Most upper tier and unitary authority areas have established a **Health and Wellbeing Board (HWB)** in shadow form. HWBs will bring together elected representatives, CCGs, social care, public health, HealthWatch and others (including the NCB where appropriate). It will take on its statutory role formally from 1 April 2013.

#### 5. HealthWatch.

- (a) **HealthWatch England (HWE)** will begin operating from October 2012 and will be a statutory committee of the CQC. Local **HealthWatch (HW)** will be commissioned by the upper tier/unitary authority to operate from April 2013. HW will support public involvement in the commissioning and provision of local health services. It may also provide NHS complaints advocacy services if commissioned. A range of different models are being developed.

#### 6. Public Health.

- (a) **Public Health England (PHE)** will be established as an executive agency of the Department of Health (DH) and will have the three key business functions of delivering a nationwide health protection service, supporting local public health services and supporting the public in making healthier choices. It will take on its full statutory role from April 2013. Duncan Selbie, currently Chief Executive of Brighton & Sussex University Hospitals NHS Trust, was named chief executive designate on 5 April 2012.<sup>12</sup> Mr Selbie took up his role in July 2012 and a *Vision for Public Health* was published on 6 July.<sup>13</sup>
- (b) PHE will have a national office and four regional sectors to match those of the NCB. It will also have local units to support local authorities.
- (c) From April 2013, upper tier and unitary authorities will have a ring fenced grant in order to undertake their new public health functions. Aside from being required to provide a small number of mandatory services, **local authorities** will be able to set their own priorities but are required to have regard to the Public Health Outcomes Framework. Work has been undertaken on estimating future funding for local authority public health functions: of £5.2 billion estimated NHS spend on public health services in 2012/13, £2.2 billion will be spent on services which fall under future local authority responsibilities. Recommendations from the **Advisory Committee on Resource**

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<sup>12</sup> <http://mediacentre.dh.gov.uk/2012/04/05/duncan-selbie-chief-exec-designate-phe/>

<sup>13</sup> Department of Health, <http://healthandcare.dh.gov.uk/vision-phe/>

**Allocation (ACRA)** about how future allocations will be determined, and details of the actual allocations local authorities will receive in 2013/14, will be published by the end of the year.<sup>14</sup>

- (d) **Directors of Public Health** will have chief officer status in the local authority and will be appointed by local authorities acting jointly with PHE. They will produce an annual report on the health of the local population.

## 7. Education and Training.

- (a) **Health Education England (HEE)** will be established as a special health authority in June 2012, taking on some functions in October 2012 and assuming full operational responsibility from 1 April 2013. It will plan for the medium and long term development of the healthcare workforce. It will also provide oversight for the work of the **local education and training boards (LETBs)**. Shadow LETBs will be set up as SHA committees from April 2012 in preparation for authorisation by HEE from October 2012.

## 8. Health Research.

- (a) **The Health Research Authority (HRA)** was established as a special health authority in December 2011. Its organisational form will develop in 2012/13 (becoming a non-departmental public body) and it will take on further functions from April 2013. It is responsible for protecting and promoting the interest of patients and the public in health research.

## 9. Workforce.

- (a) Much in the way of movement of people between organisations has already occurred and the overall aim is for all affected staff to know their futures by December 2012.
- (b) During May and June 2012, very senior management appointments will be made to the NHS Commissioning Board Authority and commissioning support services. From July to December the remaining phases will be completed.

## 10. Informatics.

- (a) From April 2013 (and following the ending of the National Programme for IT (NPfIT)), NHS Connecting for Health will be replaced with a new delivery function to ensure that though providers will be able to purchase and implement their own IT solutions, there will be standards set by the NCB or Secretary of State to ensure health and social care

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<sup>14</sup> An update on public health funding for local authorities was published on 14 June, <http://www.dh.gov.uk/health/2012/06/ph-funding-la/>

information can be shared securely. This delivery function may be housed in the **Health and Social Care Information Centre**.

- (b) An information strategy was published by the Department of Health on 21 May 2012.<sup>15</sup>

#### 11. **Property and Estates.**

- (a) The intention to create **NHS Property Services Ltd** as a company wholly owned by the Secretary of State was set out in January 2012. It will take ownership and manage those parts of the existing PCT estate which does not transfer to NHS providers. Details are to be worked out in the coming months.

#### 12. **Shared Services.**

- (a) Shared services for new national organisations - NCB, PHE, NTDA, HEE and LETBs - are being developed in preparation for April 2013: finance and accounting; human resources and payroll; procurement; and communications.

#### 13. **Emergency Resilience.**

- (a) Existing organisations remain responsible for emergency preparedness, resilience and response (EPRR) during the transition year. There will be a revised system placing clear duties on the NCB and NHS funded organisations implemented by April 2013 and will include the development of **local health resilience partnerships (LHRPs)**.

#### 14. **Quality and Safety.**

- (a) The **National Quality Board (NQB)** is a multi-stakeholder board set up to champion quality across the NHS. It set out requirements for SHAs and PCTs to produce handover documents for their successor organisations. A series of further guides on maintaining quality through the transition will also be produced.
- (b) In May 2012, the NQB published *How To: Maintain Quality during the Transition: preparing for handover*. This focussed on setting out details for the preparation of handover documents on quality. PCT Clusters are to submit these to their SHA Cluster by 23 June 2012, with the SHA Clusters submitting their own by 30 June 2012. These documents are to be updated and sent to the relevant successor organisations, who will receive them formally at their first public meetings.<sup>16</sup>

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<sup>15</sup> <http://www.dh.gov.uk/health/2012/05/information-strategy/>

<sup>16</sup> Department of Health, National Quality Board, 17 May 2012, *How To: Maintain Quality during the Transition: Preparing for handover*, <http://www.dh.gov.uk/health/files/2012/05/Preparing-for-Handover.pdf>

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- (c) On behalf of the NQB, the National Quality Team is working on how the new system will respond to the lessons of Mid Staffordshire and a report will be produced setting out the roles and responsibilities with regards to quality from April 2013. The forthcoming report of the **public inquiry into Mid Staffordshire**, led by Robert Francis, will contain recommendations that all NHS boards will need to consider.

#### **15. Planning for 2013/14**

- (a) In the autumn of 2012, the NCB and DH will agree the first mandate setting out the expectation for the NHS for 2013/14. The NCB will then issue allocations and planning guidance for 2013/14 to CCGs. As noted above, a consultation on the draft mandate was launched on 4 July 2012.
- (b) CCGs will take the lead on planning for 2013/14 in the second half of 2012/13. The NCB will support CCGs in this and agree plans for those services it will commission directly. The NTDA will oversee NHS Trust plans.
- (c) SHA and PCT clusters remain accountable up to and including 31 March 2013.