

Health Overview & Scrutiny Committee – 30 October 2009

A progress report on the separation of Commissioner and Provider Functions

1 Introduction

- 1.1 The NHS Next Stage Review¹ made a public commitment to creating modern, responsive and consistently high quality community services. This commitment is at the heart of guidance² issued in January this year to primary care trusts requiring the separation of provider and commissioner functions.
- 1.2 In accordance with this guidance NHS West Kent Primary Care Trust (the PCT) has separated out its commissioner and provider services, forming an autonomous provider organisation known as West Kent Community Health (WKCH), from 1 October 2009.

2 Governance framework

- 2.1 During this transitional phase, accountability over the community services provided by WKCH remains with the PCT Board and with the PCT Chief Executive as Accountable Officer.
- 2.2 A governance framework which ensures there is clarity over this accountability and delegated authority has been agreed and introduced. This establishes WKCH Management Board as a formal sub-committee of the PCT Board and the necessary adjustments made to the PCT's Standing Orders.
- 2.3 Memoranda of Understanding cover the accountabilities between the PCT and its provider organisation and between the PCT Chief Executive and the WKCH Managing Director.
- 2.4 For the period during which WKCH remains accountable to the PCT there is a corporate services service level agreement in place which describes the mutual support between commissioner and community services provider to maximise the existing back-office resource and ensure continuity of corporate service provision.
- 2.5 One of the PCT Non Executive Directors has been appointed as Chairman of the WKCH Management Board. Independent appointments are being made to bring balance to the WKCH Management Board. These independent members have all been identified through the Non Executive Director interview process of the national Appointments Commission.

¹ Our vision for primary and community care – Department of Health – July 2008

² Transforming Community Services - Enabling New Patterns of Provision – Department of Health - January 2009

2.6 Following an initial assessment in April 2009, the business readiness of WKCH has been re-assessed by the PCT's internal auditors. This will be the subject of consideration by NHS South East Coast Strategic Health Authority towards the end of October.

3 Strategy for community services

3.1 In parallel with establishing the necessary governance arrangements the PCT, with its provider organisation, is determining its strategy for community services for the future based on the needs of its patients and local communities, within the context of the whole health economy.

3.2 The guiding principles in the transformation of community services are that:-

- the interests of patients and carers must be paramount:
- organisations must enable the provision of safe, effective, personalised care
- there is a clear commissioning strategy which has improving quality and reducing inequalities at its core
- proposals must deliver value for tax-payers' money
- decisions about service provision are led and made locally, with robust consultation
- there is a recognition that different solutions may suit different services, even within the same locality
- there should be early and continued staff involvement prior to any decisions
- high quality HR management is followed throughout the transformation
- assurance, approval and authorisation processes are clear, robust and transparent
- proposals must enable integrated care with Local Authority services, World Class Commissioning and patient choice
- the Department of Health's *Principles and Rules for Cooperation and Competition* are complied with
- options are equality impact assessed, and there is adequate provision of safeguards for service continuity, assets and staff pensions

3.3 For West Kent, this forms part of refreshing the PCT's overarching Strategic Commissioning Plan which has involved members of the Local Authority, the Health Network and a wide range of other stakeholders.

3.4 The PCT's strategic vision encompasses six key delivery areas:-

- Health and wellbeing
 - Children, young people and their families
 - Long term conditions
 - Rehabilitation services
 - Acute care closer to home
 - End of life care
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- 3.5 The draft strategy incorporates priority action plans for each area to meet the core objectives of:
- 3.3.1 Substantially reducing health inequalities for our local population
 - 3.3.2 Significantly improving life expectancy across West Kent
 - 3.3.3 Delivering the best possible health outcomes and value
 - 3.3.4 Commissioning integrated services designed around patient need
 - 3.3.5 Optimising the quality of life for those with ill health and long term conditions
 - 3.3.6 Providing leadership to the health community and ensuring that the patient voice and experience shape our services

The vision and draft strategy will be presented to the PCT Board in November following which further consultation with stakeholders will be undertaken.

- 3.6 The preferred future form of WKCH will be identified as a result of this detailed work.
- 3.8 Currently, there are a number of options for future form available to community services provider organisations, including the following:
- NHS organisations
 - Foundation NHS Trusts
 - Social enterprises
 - Commercial enterprises
 - Contractual, partnership and joint working arrangements for example through contracts with Integrated Care Pilots and/or Primary care providers

4 Next steps and timescale

- 4.1 It is early days in the consideration of future form for community services. The following table shows the possible timescale for ultimate separation:

Milestone	Target date	By whom
Governance framework assessment	21 October 2009	NHS South East Coast Strategic Health Authority
WKCH Business readiness assessment	21 October 2009	NHS South East Coast Strategic Health Authority
Vision for community services	26 November 2009	NHS West Kent PCT
Consultation	December 2009 – February 2010	NHS West Kent PCT
Identification of preferred future form of WKCH	April 2010*	NHS West Kent PCT
Development of WKCH towards independence as a separate legal entity	April 2010 onwards	WKCH with NHS West Kent PCT support
Full separation	2012*	

*Indicative