ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET MEMBER

1.	**Meeting:-**	**Cabinet Member for Adult Social Care and Health**
2.	**Date:-**	**23rd March, 2009**
3.	**Title:-**	**Department of Health 'Transforming Community Services: Enabling new patterns of provision'**
4.	**Directorate:-**	**Neighbourhoods and Adult Services** **All Wards affected**

5. Summary

5.1 This report summarises the Department of Health's transformation agenda which focuses on patient choice, personalisation of services, and diversity of provision. This paper requires all Primary Care Trusts to create an internal separation of the commissioning and operational provider services and to agree Service Level Agreements based on the same business and financial rules as applied to all other providers.

6. Recommendations

6.1 That the Cabinet Member notes the developments and risk to transforming the provision of NHS Rotherham provider services.

6.2 That the Cabinet Member requests that the Adult Services and Health Scrutiny Panel is consulted during the developments.

6.3 That the Cabinet Member requests that the Adult Services and Health Scrutiny Panel considers NHS Rotherham provider services as part of the annual scrutiny review programme.

7. Proposals and Details

7.1 Background

7.1.1 Community Services are central to the delivery of the personalisation agenda across health and social care.

7.1.2 The paper requires NHS Rotherham to create an internal separation of its commissioning and operational provider services. The in-house providers will be developed to become business ready and have “first call” for service delivery in the initial stages. The paper states that existing staff and management should be given the opportunity to propose either the creation of social enterprises or NHS Community Foundation Trusts

7.2 Commissioning high quality community services

7.2.1 There are a number of potential providers;

- NHS organisations,
- Foundation Trusts,
- Social enterprises,
- Commercial enterprises, and
- Contractual, partnership and joint working arrangements.

7.2.2 Locally, joint commissioning has been effective in a prescribed number of areas. In addition, there are areas of service, such as Occupational Therapy, that would benefit from a much more robust commissioning approach.

7.3 Implementation

7.3.1 Once a clear separation between the PCT commissioning and provider functions has been achieved, a detailed implementation plan will need to be developed. The approval process for moving to particular organisational forms will vary, as different forms have different requirements and regulators. Throughout the processes to determine appropriate outcomes, attention should have been focused on the benefits realisation expected over a given period of time. This will be of interest to key interest groups, notably LINks and the Social Care and Health Overview and Scrutiny Committee.

7.3.2 The Department of Health has established a timetable for implementation. From October 2009, PCT commissioning arms should complete service reviews and a market analysis, and establish and publish a procurement plan in line with the intentions in its 5-year Strategic Commissioning Plan. During 2010, PCTs should develop their implementation plan. Where a PCT decides to maintain direct provision, it should periodically review its service quality, viability and any financial risks or risk to sustainable services.

7.3.3 NHS Rotherham are about to begin a review of all provider services according to the guidance. The models described above may all be part of the consideration of the best models of commissioning and service provision. The document requests that NHS Rotherham should take the Council's views on board. Indeed, our Scrutiny function should be involved and ratify the decisions.

8. Finance

8.1 There are no financial implications arising from this report but there are financial implications and opportunities in the future to improve efficiency, economy and effectiveness (value for money) across the health and social care sectors as a result of this paper.

9. Risks and Uncertainties

9.1 The main risk is that our current joint commissioning and pooled budget arrangements are not exposed to a sufficient degree of scrutiny, challenge and competition.

9.2 The impact of this is that services are commissioned are the basis of preferred provider rather than for better outcomes or that the pace for change is not aligned with the Council's priorities. There has been a recent example locally involving the review of Occupational Therapy. To mitigate this risk the Council is working with NHS Rotherham to review services and contributing to the publication of a procurement plan and 5-year Strategic Commissioning Plan. In addition the Strategic Health Authority is responsible for supporting and overseeing the separation of PCT functions.

9.3 There is an uncertainty that this paper, set in the context of joint regulation and expanded partnership working, may lead to a merger of health and social care services in the future. It is important that we work together and commission for residents of the borough and not for organisations or staff.

10. Policy and Performance Agenda Implications

10.1 The Care Quality Commission (CQC) will jointly assess commissioning arrangements from April 2009 and the implementation of this paper is critical for future inspection ratings and our annual assessment judgement.

10.2 The new requirements extend the NHS performance regime to PCT direct provision with clear thresholds for intervention and rules based process on escalation. For example, the Department may publicly designate organisations as 'challenged'.

11. Background Papers and Consultation

11.1 Department of Health *Transforming Community Services: Enabling new patters of provision,* 13th January 2009 is attached.

Contact Name: Kim Curry, Director of Commissioning and Partnerships
Extension 2308 – email kim.curry@rotherham.gov.uk