

Title of paper:	Transforming Community Services	
Report to:	Children's Partnership Board	
Date:	13 th October 2010	
Director(s)/Corporate Director(s):	Dee Sissons – Director of Nursing and Quality NHS Nottingham City Lucy Davidson – Assistant Director of Commissioning – Children, NHS Nottingham City (presenting paper)	Wards affected: All
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Other officers who have provided input:	Shirley Smith – Assistant Director of Commissioning Community Services, NHS Nottingham City	
Relevant Children and Young People's Plan (CYPP) objectives(s):		
Safeguarding and Early Intervention - Children, young people and families will benefit from early and effective support and protection to empower them to overcome difficulties		X
Strong families - More families will be strong and healthy, providing an enjoyable and safe place for children to grow up		X
Healthy and positive children and young people - Children and young people will be healthier, fitter, more emotionally resilient and better able to make mature decisions		X
Achievement - All children and young people will leave school with the best skills and qualifications they can achieve and will be ready for work or further learning		X
Economic well-being - Child poverty will be significantly reduced		X
Summary of issues (including benefits to customers/service users):		
<p>The paper provides partners with the policy context for Transforming Community Services, a national change programme for the delivery of community services. An overview of the approach taken by NHS Nottingham City and a timetable for delivery by 31st March 2011 is provided.</p> <p>Service users will benefit from the future delivery of integrated, efficient and cost effective community services. The change programme is underpinned by 4 key principles:</p> <ul style="list-style-type: none"> • Getting the basics right – every time • Making everywhere as good as the best • Delivering evidence based practice • Developing and supporting people to design, delivery and lead high quality community services 		
Recommendations:		
1	Support and endorse the approach taken by NHS Nottingham City	

1. Introduction

Transforming Community Services is a change programme for the delivery of primary care services, introduced under the labour government, designed to promote high quality standards of care. The purpose of this paper is to seek Children's Partnership Board support for the approach taken by NHS Nottingham City.

2. Policy context and background

2.1 National

The recently revised NHS Operating Framework 2010/11 confirmed the requirement for Primary Care Trusts to divest themselves of provider services by April 2011. In Nottingham services are currently provided by CitiHealth.

National guidance on the assurance and approvals process for transforming PCT-provided community services, issued in February 2010, incorporates oversight and approval from the SHA, Department of Health, Co-operating and Competition Panel and Monitor (where appropriate). This guidance identified the most likely options for PCT provider services to be:-

- Vertical integration with an acute or mental health trust
- Integration with another community-based provider
- Social enterprise

The options for implementation include:-

- Managed vertical/horizontal integration (subject to SHA, Department of Health and Cooperation and Competition Panel assurance and approval)
- Procurement
- Right to Request schemes (a separate robust assurance framework already exists for the right to request, which will also be administered through the SHA)

2.2 The 'Right to Request' to be a Social Enterprise

The 'right to request' is a commitment set out and reiterated in the following policy documents-

- *High Quality Care for All: NHS Next State Review* published in June 2008
- *Social Enterprise – Making a Difference: a guide to the Right to request* In November 2008
- *Transforming Community Services: Enabling new patterns of provision* January 2009,
- *The assurance and approvals process for PCT provided community services* February 2010
- The revised *NHS Operating Framework 2010/11*
- The Coalition Government's White Paper *Equity and Excellence: Liberating the NHS*

The 'right to request' entitles primary and community care staff to put a business case to their PCT board to set up an independent social enterprise.

PCTs are obliged to consider a right to request taking into account a number of factors such as financial viability, sustainability and quality, including whether or not there are any benefits to the procurement route. If PCTs accept the expression of interest in the right to request they are committed to supporting the development of a full business case for assurance and

approval by the PCT Board and the SHA. If the business case is approved the PCT will be required to support the set up of the social enterprise and award an uncontested contract for up to three years.

There are a growing number of social enterprises being developed across the UK:

- 18 PCTs developed social enterprises for their provider services in November 2009 (wave 1 of the right to request programme)
- There are likely to be 15-20 in wave 2 (due to be announced shortly)

As a result of the TCS programme and the requirement to divest provider services organisations in the following areas are pursuing social enterprise status for their whole provider arms through the 'Right to Request' route:

- Five in the South West SHA
- Two in the East of England SHA
- One in the South East Coast SHA
- One in London SHA

In addition to approval of the business case any proposal to become a social enterprise will be required to undergo a very robust and challenging process similar to that applied to be a Foundation Trust.

2.3 Local

In our Commissioning Plan for Transforming Community Services (TCS), agreed in October 2009, NHS Nottingham City recognised the pivotal role community services play in meeting our strategic objectives to improve the health and wellbeing of our population and end health inequality, whilst investing the available resources wisely.

There is significant potential for community services in areas such as social awareness, early identification and proactive outreach to support our strategic focus on effective prevention and contribute greatly to our vision to reduce health inequalities.

Moving services closer to home through the development of high quality community services is fundamental to fulfilling these commitments and the Transforming Community Services programme is an important enabler for delivery of this objective.

Commissioning robust integrated community service provision to deliver care closer to home is also critical to the wider health economy, particularly in areas such as the management of long term conditions where we have increasing prevalence and a comparatively high expenditure on hospital admissions.

In order to deliver upstream interventions to keep people healthier for longer our plan stated we will "commission community services to work closely with local authorities and develop innovative partnerships with third sector and independent sector organisations to forge common goals for improving the health and well being of our local community".

3. Update on TCS Process

3.1 A period of key stakeholder engagement has taken place to further test the early proposals which were approved in principle by the Strategic Health Authority. This has led to some minor changes in service alignment.

3.2 Detailed analysis of service requirements and a high level market analysis together with consideration of competition rules and guidance indicated that the best option for implementation would be through a procurement process.

3.3 Services have been grouped into procurement “bundles” based on reducing fragmentation, efficiencies of scale, opportunities for further integration, and ensuring an inclusive process. The service bundles are illustrated in **appendix 1**.

3.4 The procurement process was initiated with a market testing exercise inviting expressions of interest in providing one or more of the service bundles. The advert ran from 12th July and closed on the 4th of August. The procurement process that will now be followed is:

September 2010 – PCT evaluate against PQQ (pre qualifying questionnaire); eligible providers invited to tender

October/November 2010- Evaluation panels take place

December 2010 – Provider/s selected and confirmed

January 2011 – TUPE consultation with staff, contract negotiation

February 2011 – Contract finalised

March 2011 – Staff transfer to new provider/s

April 2011 – Services commence under new provider organisation

4. CitiHealth ‘Right to Request’

CitiHealth have submitted a formal expression of interest for the right to request to be a social enterprise. The proposal is for a joint venture with Nottingham Emergency Medical Services (NEMs) a local primary care provider with proven track record, and City Council staff to develop a staff led/owned social enterprise delivered in two phases.

Phase one would involve the transfer of staff from CitiHealth into the new entity by 31st March 2011, or substantial progress made towards this with the transfer of the senior/leadership team with the remaining staff groups following shortly afterwards.

Nottingham City Council has endorsed this model as a prospective vehicle for any future integration across a range of adults and children’s services. This would comprise phase two of this proposal.

4.1 Staff Support

In a staff consultation exercise in 2009 the preferred organisational option was to become a community foundation trust, with a social enterprise second choice. However, the option of becoming a community foundation trust was subsequently closed to PCT-provided services later in 2009.

Since that time staff engagement events have been focused on the process and the potential alignment of services with provider types and the service bundles. However, following the publication of the Coalition Government’s White Paper, *Equity and Excellence: Liberating the NHS*, there has been a growing recognition from staff, who were anxious to remain in the NHS, that the future landscape for NHS providers will look very different. As a result the option of establishing a social enterprise has had growing staff support. CitiHealth have been holding numerous staff events and meetings to discuss this proposal with them and are collecting survey forms to identify the level of support.

4.2 GP Support

The social enterprise proposal has been discussed with the practice based commissioning leads who thought that the joint venture added considerable weight and support in principle.

4.3 City Council Support

As mentioned above, Nottingham City Council has endorsed this model as the prospective vehicle for future integration and have committed to working with the partnership to establish a fully integrated organisation. There has been substantial verbal and written support for this proposal from both the leadership and the members of the City Council.

5. Conclusion

NHS Nottingham City Board has given approval in principle to CitiHealth's expression of interest in the right to request to be a social enterprise for the adults and children's service bundles (8 and 9). At this stage approval in principle means permission to develop a full business case for these services and does not in itself constitute approval of the expression of interest as a preferred model, procurement will continue as a parallel process until the business case has been approved. Consideration of the full business case will take place at the end of November.

6. Recommendations

The Senior Officers Group/Children's Partnership Board are asked to:

- Support and endorse the approach taken by NHS Nottingham City