

ADULT SOCIAL CARE AND HEALTH OVERVIEW AND SCRUTINY COMMITTEE BRIEFING – 8TH
NOVEMBER

Transfer of Warwickshire Community Health

1.0 The Requirement for Change – The NHS Operating Framework

In June 2010, the Department of Health published the revised Operating Framework for the NHS in England 2010/11,
http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_091445

This stated that separating PCT commissioning from the provision of services remained a priority and must be achieved by April 2011. PCTs were instructed to develop and review proposals for the divestment of their directly-provided community services, ensuring that:

- They have been tested with GP commissioners and local authorities;
- Final proposals are consistent with the aims of the forthcoming NHS Strategy in strengthening the delivery of public health services and health services for children;
- They consider the implications for choice and competition;
- They consider a wide range of options, including the development and early delivery of Community Foundation Trusts and Social Enterprises, providing employee leadership and ownership;
- There has been effective engagement of staff and their representatives when considering options;
- Previous proposals for continued direct provision are reviewed and alternative options developed which secure separation; and
- Proposals should be capable of being implemented or substantial progress made towards implementation, by April 2011.

This new guidance required NHS Warwickshire's Board to reconsider its previous decisions on the destination and future organisational form for NHS Warwickshire's provider organisation, as these options did not include the previously identified preference of an Arms Length Provider Organisations (ALPO), or the retention by the PCT (except in the circumstance of exceptional delivery quality measured against clear Value for Money criterion). To assist the decision making process the SHA offered a small sub-set of acceptable options.

- Integration with an acute provider
- Integration with another community provider
- Social enterprise
- Contracting to a Private Provider
- Combination with an LA

The timeline for implementation of this new form is exceptionally challenging. The business transfer of provider services into the selected option should be substantially completed by April 2011.

The exclusion of an ALPO as an option has therefore required NHS Warwickshire to construct a new efficient, effective organisational form for Warwickshire Community Health that delivers improved patient outcomes whilst also creating a contestable market structure within the local health economy. This has involved an evaluation of; the local market drivers, the providers of local services', and the needs of the population to establish the best option for the future. Also due to the challenging timelines, this solution needs to be sufficiently robust to be implemented in a year.

2.0 The Context for Change

The following key factors have influenced the decision about the destination of Community Services:

- Warwickshire is a relatively sparsely populated county and its population is spread across some 763 square miles (197,509 hectares).
- The County has a rapidly ageing population. The over 65 population level is currently 17.3% compared to 16.2% nationally).
- This rapid ageing is compounded by high levels of deprivation in the North of Warwickshire. These factors mean that many people need support with long term conditions.
- Health service funding levels per head of population in Warwickshire are low, since the pockets of extreme deprivation are mixed in with some of the most affluent populations in the country.
- This low level of funding has necessitated the extraction of many of the easy efficiencies that better funded PCTs have removed through this process. Risk sharing contracts with South Warwick Foundation Trust have been developed and the positioning of community services has led to a non-elective admission rate of 86.53 where the national average is 96.
- The low levels of funding has lead to the development of an efficient provider service which meets the needs of a population of circa 550,000 spread over a geographical area of more than 760 square miles with a spend of less than £60 million per annum to meet the needs of both adults and children in the county.

3.0 Selection of Preferred Providers

All of the above NHS Acute providers, including PBC groups were invited to express an interest in taking on services provided by Warwickshire Community Health and PCTMS Practices by 17th February 2010. A rigorous process was put in place to identify a preferred provider. This included an intense options appraisal and robust selection criteria. As part of this process a joint agency panel event was held on 19th April 2010. The panel contained Executive and Non Executive Directors of NHS Warwickshire, the Assistant Chief Executive of Warwickshire County Council, the Chief Executive Officer of the PCT, and PBC leads. The process was observed by staff side officers, Independent Committee Members for Warwickshire Community Health,

the full time officer staff side (RCN) RCN representative and the Managing Director of WCH. The panel's decision was a unanimous decision that the majority of Warwickshire Community Services should transfer to South Warwick Foundation NHS Trust.

The selection process revealed however that there were a number of elements within provider services that did not sit comfortably within the SWFT structure. Specifically these were:

- **3 PCTMS GP Practices based in the North of Warwickshire**
- **Specialist Community Dentistry**
- **Public Health Services** (TB, Smoking Cessation and Smoking in Pregnancy)

As a result of this it was decided that an additional series of selection processes were needed to identify the most suitable destination for these services. These took place during the course of the summer and early Autumn of 2010. Each of process was built around the following core questions and issues.

Area	Challenges
Quality Improvement	Will the provider meet patient needs and deliver improved local health outcomes?
	Will the provider help maintain and improve patient experience?
	Will the provider improve the outcomes delivered?
	Will the provider deliver improvements in service integration and quality
Increased Efficiency of	Will the provider suitably engage with key stakeholders?
	Will the provider be able to delivery substantial improvements in the technical and allocative efficiency of Community Specialist Dentistry?
Sustainability	Will the provider maximise utilisation of own estate and / or
	Will the provider be clinically and financially sustainable?
	Will the provider fit into and enable delivery of wider health economy service transformation and shifts in care?
Overall	Do you believe the provider has demonstrated that they are a suitable host for this service?

4.0 Benefits of transferring services to South Warwickshire Foundation Trust

Services transferring from Warwickshire Community Health to South Warwickshire Foundation Trust can be categorised into the following TCS pathways.

- **Acute Care Close to Home** - Vertical integration with an acute provider in this pathway allows NHS Warwickshire to support the local QIPP programme for Admission avoidance /Nursing Home /LOS and Extended Community Team/specialist community LTC team
- **Long Term Conditions** - the linking of primary care, secondary care, and social care with community health provision to ensure that patients benefit from a

wider range of opportunities, can learn to self manage elements of their own care planning and receive care and support in a setting of their choosing

- **Rehabilitation** - This pathway truly benefits from vertical integration across all partners within the health and social care economy. NHS Warwickshire is working on this pathway in its 'Cutting the Costs of Frailty' programme.
- **End of Life Care** - Vertical integration with contributions from secondary care older age medicine specialists will deliver better supportive care planning (Liverpool Care Pathway and Community Pathway for Care in the last year of life). It also offers an opportunity to draw this specialism into the community to support primary care practitioners

South Warwickshire Foundation NHS Trust was also selected to temporarily host the Children and Young People's Services. Although there are high degrees of integration with the Local Authority provision in this area, no legal form is in place to support the transfer of children's services to the Local Authority in year. Extensive ongoing work with the local authority to ensure inclusion and the best form for children's services in the future will run alongside this transfer process.

The transfer of Warwickshire Community Health services to South Warwickshire Foundation NHS Trust will meet the requirements identified in the Operating Framework. It will also importantly provide:

- a more secure and stable management structure for the delivery of Acute Care Close to Home, Long Term Conditions, Rehabilitation, End of Life Care services
- a more appropriate base for the temporary hosting of Children Services. It is also crucially compatible with NHS Warwickshire's Strategy 'Best Health for Everyone'.

Finally the benefits of selecting a Foundation Trust to host Warwickshire Community Health services were considered. By working with a Trust that has already achieved this status, total focus can be applied to re-structuring community health services, rather than supporting a chosen partner to achieve this status.

The establishment of a trading arm for services outside of South Warwickshire will ensure that future contracts for Community Health services in North Warwickshire will not be tied to only one of the acute settings. Central to this is the development of a functional currency for community health and the streamlining of the handovers between services and organisations in the Warwickshire health economy.

This can be achieved by structuring a 3 year contract to recognise the functions that Warwickshire Community Health performs, the geographical boundaries of those services and align these against the needs of the local community and the available "pot of resources" whilst ensuring equality of access to health and community services for the all people of Warwickshire.

5.0 Benefits of transferring services to The George Elliot Hospital Trust

In addition to primary and acute services, GEH also provides a number of community services for people both within Warwickshire and beyond the County

including Physiotherapy, Occupational Health, Community Midwifery, Respiratory Early Discharge Service, Smoking Cessation Services, Community Based Consultant Out -patient Services, Nursing Outreach Services.

A key advantage of selecting an acute provider such as GEH and developing a vertically integrated model of health service delivery is that it provides great potential to improve referral pathways. Having responsibility for key aspects of patient treatment will enable a better understanding to be developed of the relationship between and management across referral pathways. In practical terms this will, for example help reduce the need for patients to move between organisations, with the transaction costs and delays this can cause. GEH will be responsible for key aspects of the patient pathways and will therefore be in an ideal position to improve service and deliver efficiencies.

At a strategic level GEH has been working closely with NHSW to develop a future vision for the Trust and greater strategic and system alignment in services. This vision that has been developed is built around the concept of “a health promoting hospital” a description which is intended to emphasise GEH’s role in improving the health of the community. Critical to this vision is the drive to ensure services are safe and of a high quality and that GEH has a secure and viable future within the Local Health Economy.

6.0 Milestones and progress

NHS Warwickshire has established a Programme Board and project steering group to oversee the transfer of services in the required timescales.

6.1 South Warwickshire Foundation Trust

Confirmation has been received from the Cooperation and Competition Panel that the business case for the transfer will be reviewed as part of their fast track 10 day process with approval anticipated on 3rd November 2010.

A submission will then be made to Monitor in early December following SWFT Board approval of the due diligence findings in late November. The monitor approval process will take up to a maximum of 3 months with final approval from both SWFT and NHSW Boards planned for March.

6.2 The George Elliot Hospital

A submission to the Cooperation and Competition Panel was made on 22nd October and it is anticipated that the business case for the transfer will be reviewed as part of 40 day process. A Due Diligence exercise will now commence. Final approval to the transfer will be made at both NHSW and the George Elliot Hospital Board meetings in March 2011.

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October 2010