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**Meeting:** Social Care, Health and Housing Overview & Scrutiny Committee

**Date:** 4 February 2010

**Subject:** Separation of commissioning and provider functions at NHS Bedfordshire

**Report of:** Andrew Morgan, Chief Executive NHS Bedfordshire

**Summary:** The report advises the Committee of the transition of Bedfordshire Community Health Services to the complete separation of the provider and commissioning parts of NHS Bedfordshire.

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Contact Officer: David Levitt, Assistant Director of Public Engagement

Public/Exempt: Public

Wards Affected: All

Function of: Council

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## CORPORATE IMPLICATIONS

**Council Priorities:**

Please see attached report of NHS Bedfordshire

**Financial:**

Please see attached report of NHS Bedfordshire

**Legal:**

Please see attached report of NHS Bedfordshire

**Risk Management:**

Please see attached report of NHS Bedfordshire

**Staffing (including Trades Unions):**

Please see attached report of NHS Bedfordshire

**Equalities/Human Rights:**

Please see attached report of NHS Bedfordshire

**Community Safety:**

Please see attached report of NHS Bedfordshire

**Sustainability:**

Please see attached report of NHS Bedfordshire

**RECOMMENDATION:**

- 1. That the Social Care, Health and Housing Overview & Scrutiny Committee considers the attached report, particularly those parts of it relating to the Social Care, Health and Housing directorate, and submits comments to NHS Bedfordshire if considered necessary.**

**Appendices:**

Appendix A – Separation of commissioning and provider functions at NHS Bedfordshire

**Background Papers:** (open to public inspection)

None

**Location of papers:** NHS Bedfordshire, 21 Kimbolton Road, Bedford MK40 2AW

## Separation of commissioning and provider functions at NHS Bedfordshire

### 1. Background to Transition and Transformation

- 1.1 The future direction of NHS care, stated in NHS Bedfordshire's strategic plan, *A Healthier Bedfordshire*, is to provide more care outside of hospital and in community settings closer to where people live.
- 1.2 NHS Bedfordshire is following national guidance in separating its commissioning and provider responsibilities. This will enable the PCT to focus solely on its commissioning responsibilities and for community health services to embark on a path of service transformation.
- 1.3 The transition of Bedfordshire Community Health Services is the process of moving to the complete separation of the provider and commissioning parts of NHS Bedfordshire. The relationship between the two would be purely contractual.
- 1.4 Transformation is the ongoing process of developing and improving community health services through innovation, pathway redesign and better integration to ensure services are designed around patients and deliver quality and value. This is a clinically driven process and focuses on what matters to patients rather than what is organisationally more convenient for the NHS. This national drive for improvement does not signify that local services are failing.
- 1.5 As a first step, in April 2008 the provider arm (which was renamed Bedfordshire Community Health Services in September 2008) became an arms-length trading organisation (ALTO).
- 1.6 At the time, a range of potential organisational models existed for an independent provider. Bedfordshire Community Health Services (BCHS) was not considered to be of sufficient size to be financially viable and sustainable as a community foundation trust. The NHS Bedfordshire Board decided in June 2008 to seek the best organisation or organisations to take over the provider arm through a process of 'managed contestability'. This involves selecting the best providers of community health services from a broad potential provider pool, including NHS, other public sector, voluntary and private sector, based on specified outcomes for quality and value. There is still also the potential for provider services to seek to become social enterprises.

## **2. Change to national policy**

- 2.1 Following a speech made by Health Secretary, Andy Burnham, in September, policy has now changed to reflect that the NHS should be the preferred provider. NHS Bedfordshire is now following this route. This means that the PCT will seek the best provider or providers within the NHS to take over the running of its community health services. It does not rule out NHS and other providers forming consortiums, partnerships or integrated teams, where this delivers improved quality of care for patients and value for taxpayers.
- 2.2 This policy change means that staff will continue to work for the NHS and therefore, NHS Bedfordshire does not envisage any staff transfers requiring formal consultation.

## **3. Staff engagement**

- 3.1 Staff have been engaged throughout the process through a variety of means, including:
- Letters from the Chief Executive attached to payslips
  - Regular meetings with staff side (unions)
  - Dedicated BCBS transition/transformation pages on the staff intranet: includes regularly updated FAQs, feedback buttons, project information
  - Instigation of 'BCBS Next Steps' staff newsletter attached to payslips
  - Regular staff open sessions in various locations with the Chief Executive and Chief Operating Officer of BCBS
  - Information cascaded via team meetings
  - A series of 32 engagement events to ensure all 1,150 BCBS staff have an opportunity to hear about transition and transformation plans from the Chief Executive and Chief Operating Officer and ask questions.
- 3.2 The transformation of community services offers real opportunities for staff to develop their careers. Successful transformation requires that community services staff take an active role in helping shape service development. To enable this:
- A range of organisational development activities are being offered to support staff and ensure they have the skills and competencies needed for the future
  - Service specification workshops have been arranged to ensure staff can provide their knowledge and experience to help shape service transformation. These workshops will be an ongoing feature of delivering and improving community services in the future.
- 3.3 Staff will continue to be engaged throughout the transition process

## 4. External engagement

- 4.1 The Transition Programme communications and engagement plan identifies a broad range of external stakeholders. Those currently engaged include the two unitary authorities, SHA, PBCs, Children's Trust Boards, LSPs and MPs. Other stakeholders identified include health overview and scrutiny committees, the LINK, professional representative groups, service users and residents. NHS Bedfordshire will ensure information is made available to the public and patients on any changes to community health services as a result of transition and transformation.
- 4.2 NHS Bedfordshire will fully comply with all requirements to involve (including consultation) on any proposals that would lead to substantial variations in services – i.e. service reconfigurations. Changing providers would not, of itself, trigger a requirement to consult. NHS Bedfordshire will also comply with all requirements for staff consultation and is seeking and receiving active staff involvement in both Transition and Transformation programmes.

## 5. Indicative timescales

Date	Key Milestone
05/03/2010	Complete pre-qualification stage
29/03/2010	Issue Invitation to Tender
20/09/2010	Contract negotiations complete
Early 2011	Contract starts

## 6. Conclusion

- i. **More care in community settings:** NHS Bedfordshire's strategy commits it to providing more services in community settings, when safe and appropriate;
- ii. **Transition is a necessary step:** the separation of commissioner and provider will enable both functions to develop their capabilities to the full;
- iii. **Transforming Community Services is critical:** NHS Bedfordshire's plans are the local response to a national policy that is critical to ensuring the NHS can continue to deliver quality and value. Its importance and relevance is further heightened by the tough funding situation that lies ahead;
- iv. **Focus on patients:** BCHS Transformation is a vital opportunity to design and deliver community health services around the needs and preferences of patients;
- v. **NHS is the preferred provider:** NHS Bedfordshire will seek the best providers from the NHS to deliver high quality, innovative and value for money services for patients;
- vi. **Opportunities for staff:** Change can be unsettling, but it also creates opportunities. BCHS staff have unique knowledge and experience to help shape future services and are currently active in doing so; and

- vii. **Public engagement:** NHS Bedfordshire will meet its statutory Duty to Involve, ensuring patients and the public are aware of changes to community health services as a result of transition and transformation and that they can comment on proposals for substantial variations in services that may result.

David Levitt  
Assistant Director of Public Engagement