

DECISION-MAKER:	HEALTHY SCRUTINY PANEL		
SUBJECT:	TRANSFORMING COMMUNITY SERVICES - SOLENT HEALTHCARE		
DATE OF DECISION:	23 SEPTEMBER 2010		
REPORT OF:	CHIEF EXECUTIVE SOLENT HEALTHCARE		
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STATEMENT OF CONFIDENTIALITY

None

SUMMARY

This paper sets out progress on the establishment of Solent Healthcare as an independent organisation and the current position. The Panel last discussed Solent Healthcare on 11 March 2010

RECOMMENDATIONS:

- (i) To note the proposed development for Solent Healthcare to progress autonomy as an NHS provider as a precursor to Community Foundation Trust application in line with the original Full Business Case.
- (ii) To explore and examine the proposals put forward by Solent Healthcare and provide support to the ongoing Full Business Case for to Community Foundation Trust (CFT).

REASONS FOR REPORT RECOMMENDATIONS

1. To respond to the Department of Health's 'Transforming Community Services – New Patterns of Provision', and the Liberating the NHS -Equity and Excellence, which focuses providers of health services to consider how, in the future, the health needs of patients and local communities can be met and how the changes necessary should be managed to enable the transformation of services.
2. To deliver significant benefits to patients and value to the taxpayer, as shown (at high level) below.

3.

Benefit area	Impact
Improved market agility	Creating a provider which is able to respond flexibly and appropriately to Commissioners requirement. To help to sustain a competitive market locally to retain Commissioners' ability to use the market to test, where applicable, to achieve improved quality and value for money.
Achieving value for money	Providing evidenced, well thought through efficiency plans to deliver savings between 2010-15 of £47.1m through productivity gains, economies of scale and transformation plans that will be delivered by the provider as cash releasing efficiency savings, and additional whole system savings accruing to Commissioners totalling an additional sum of £11.7m.
Delivering appropriate, safe, high quality services	Making quality the key principle in the organisation, with proposals identifiable, designed to improve patient safety and patient experience delivered through sharing of best practice and specialist resources
Workforce benefits	By empowering staff to improve care, enhance skills and transform practice and by creating a learning organisation the provider will be the employer of choice for leaders both clinical and non clinical

CONSULTATION

- 4 Throughout this process, the project team have engaged with staff, Commissioners, the Strategic Health Authority (SHA), Southampton City Council, Portsmouth City Council, Hampshire County Council, GPs, MPs, other health providers, local authorities, patients, service users and other stakeholders through a variety of means, including events, one-to-one meetings, newsletters and websites.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 5 Both Portsmouth City Mental Health Services and Southampton Community Healthcare independently completed a detailed Options Analysis into future organisational form in 2009. Both Options Analyses assessed a long list of organisational forms, taken from the Transforming Community Services guidance published by the Department of Health, against a range of criteria.
- 6 The long list of organisational form options included integration options (vertical and horizontal), partnership working options (Care Trust, ICO) as well as pure organisational form options (CFT, Social Enterprise).

- 7 The main conclusion of both Options Analysis papers was that there were considerable benefits in the integration of Portsmouth Community and Mental Health Services (PCMHS) and Southampton Community Healthcare (SCH).
- 8 The Full Business Case (FBC) included a more detailed analysis of organisational form and recommended that the Community and Mental Health Provider should operate as a Direct Provider Organisation (DPO) under NHS Southampton City, whilst driving forwards its Community Foundation Trust (CFT) preparedness programme of work and developing a new organisational culture. However this proposed pathway for CFT was removed in March 2010. The alignment of Southampton and Portsmouth continued with the formation of Solent Healthcare (1st April 2010). In light of national changes and the Coalition Government future form for Solent Healthcare required a revisit of the original options appraisal.

DETAIL

- 9 In July 2009, as part of the Transforming Community Services (TCS) agenda, NHS Southampton City's Trust Board gave an agreement for SCH to proceed to a FBC for the potential integration with PCMHS. The resulting FBC showed how integration between SCH and PCMHS would meet Commissioners' requirements whilst delivering safe and effective services in a cost effective way. The publication of the 2010/2011 Operating Framework removed the CFT as an available option.
- 10 The White Paper Equity and Excellence: Liberating the NHS (2010) changed national policy and has removed constraints around CFTs. Therefore the option for Solent Healthcare is to proceed along the application for CFT. Both the Department of Health (DH) and Strategic Health Authority (SHA) have advised it is not necessary to revisit and consult again on the long list of organisational forms. The DH and SHA recommend that we build on the work already undertaken to reconfirm that this remains the best option for the NHS locally.
- 11 As the change in national policy has removed the constraints around CFTs, the DH and SHA have advised it is not necessary to revisit and consult again on the long list of potential organisational forms as:
- The Solent Kaleido FBC was robust, evidence based and involved widespread stakeholder consultation
 - Local commissioners fully supported the creation of an autonomous organisation with CFT as the preferred organisational form
- The DH and SHA recommended that we build on the work already undertaken to reconfirm that this remains the best option for the NHS locally and that the FBC is updated to reflect the changes in national policy.

FINANCIAL/RESOURCE IMPLICATIONS

12. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

13. The duty to undertake overview and scrutiny is set out in Section 21 of the Local Government Act 2000 and the Local Government and Public Involvement in Health Act 2007.

Other Legal Implications:

14. None

POLICY FRAMEWORK IMPLICATIONS

15. The proposals are inline with the NHS plans for Transforming Community Services and World Class Commissioning

SUPPORTING DOCUMENTATION

Appendices

1.	None
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Documents In Members' Rooms

1.	None
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Background Documents

Title of Background Paper(s) Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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Background documents available for inspection at: N/A

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	
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