

DECISION-MAKER:	HEALTHY SCRUTINY PANEL		
SUBJECT:	SOLENT HEALTHCARE - TRANSFORMING COMMUNITY SERVICES UPDATE ON PROGRESS		
DATE OF DECISION:	13 JANUARY 2011		
REPORT OF:	CHIEF EXECUTIVE, SOLENT HEALTHCARE		
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STATEMENT OF CONFIDENTIALITY

None

SUMMARY

This paper updates the Panel on progress with the establishment of Solent Healthcare as an independent organisation to become as NHS Trust on 1st April 2011 and move into the Foundation Trust 'pipeline'. The Panel last discussed Solent Healthcare on 23rd September 2010.

RECOMMENDATIONS:

- (i) To support Solent Healthcare to progress to autonomy as an NHS Trust provider as a precursor to Community Foundation Trust application in line with the original Full Business Case.
- (ii) To support

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 (details of these have been outlined to the Panel previously).

CONSULTATION

- 3 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

- 4 Both Portsmouth City Mental Health Services (PCMHS) and Southampton Community Healthcare (SCH) 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.
- 5 The long list of organisational form options included integration options (vertical and horizontal), partnership working options (Care Trust, Integrated Care Organisation) as well as pure organisational form options (Community Foundation Trust, Social Enterprise).
- 6 The main conclusion of both Options Analysis papers was that there were considerable benefits in the integration of PCMHS and SCH.
- 7 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 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

- 8 In the previous update the Panel was informed that The White Paper Equity and Excellence: Liberating the NHS (2010) changed national policy and has removed constraints around the establishment of Community Foundation Trusts. Therefore the option for Solent Healthcare to proceed with an application for CFT status was re-instated. Both the Department of Health and Strategic Health Authority (SHA) agreed that was not necessary consult again on the long list of organisational form options but instead Solent Healthcare could build on the work already undertaken to reconfirm that CFT remains the best option for the NHS locally.
- 9 As a result the Solent FBC was refreshed to:
 1. Reaffirm stakeholder support for the proposal
 2. Reappraise the preferred organisational form against updated criteria
 3. Demonstrate continued alignment with commissioning intentions
 4. Provide evidence of benefits realisation e.g. transformation, QIPP
 5. Refresh the financial model and demonstrate financial viability
 6. Demonstrate that Solent Healthcare market analysis and impact assessment of Any Willing Provider
 7. Define the plans required to achieve CFT status
 8. Provide assurance to the Boards, SHA and DH that the future vision and transformation proposals are viable, sustainable and offer value for money.

The refreshed Outline Business Case was approved by Solent Healthcare Provider Management Board on 13th September 2010.

- 10 Formal approval from Southampton City PCT for the proposed divestment of it's PCT's provider function and the progression of Solent Healthcare's application via the SHA and DH assurance process to become an NHS Trust and then Foundation Trust was attained on 23rd September 2010.
- 11 The SHA submitted draft assurance documents to the Department of Health on the 30th September 2010.
- 12 Following an initial panel meeting the DH transactions Board gave approval for Solent Healthcare to progress to autonomy as an NHS Trust provider on 1st April 2011 as a precursor to entering the Foundation Trust Pipeline.
- 13 In order for Solent healthcare to become an NHST, there are a number of steps required including consultation, board appointments, governance arrangements, Establishment Order and Transfer Order.
- 14 The Establishment order gets approved via an approvals process through Solent Healthcare Provider Board, SCPCT Board and the SHA Board before coming into force 1st April 2011.
- 15 The Transfer Orders are also approved via an approvals process via the DH and are due for submission on 10th February 2011.
- 16 Once Solent Healthcare is established as an NHS Trust it will move into the Foundation Trust 'pipeline'. This is a journey over about 18 months that's goes through some key assurance gates before Solent Healthcare are considered ready to be authorised as a Foundation Trust.
- 17 The first phase of this journey is under the direction of the SHA, the second phase in under the direction of the DH and the third phase is under the direction of Monitor.

FINANCIAL/RESOURCE IMPLICATIONS

- 18 none

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

- 19 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:

- 20 None

POLICY FRAMEWORK IMPLICATIONS

- 21 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:

KEY DECISION? N/A

WARDS/COMMUNITIES AFFECTED:	All
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