



meeting **HEALTH SELECT COMMITTEE**

date **8 November 2005**

agenda item number

Primary Care Trust Restructuring

Purpose of the Report

1. To update Members on the proposals for changes to the structuring of Primary Care Trusts (PCTs) in Nottinghamshire and to provide all Members of the Health Select Committee with the opportunity to discuss the proposals with the Chair of the Nottinghamshire Steering Group.
2. To consider the proposed terms of reference of the PCT Restructuring Study Group.

Background

PCTs

3. PCTs are stand-alone NHS organisations which provide and commission local health care services. PCTs have a responsibility for improving the health of the local community and manage budgets, staff and plan and commission the health care services for their area. They receive 75% of the NHS budget.
4. The following PCTs cover the County area:
 - Ashfield and Mansfield PCTs
 - Bassetlaw PCT
 - Broxtowe and Hucknall PCT
 - Gedling PCT
 - Newark and Sherwood PCT
 - Rushcliffe PCT

Nottingham City PCT covers the Nottingham City Council area.

Strategic Health Authority

5. In 2002, 28 Strategic Health Authorities (SHAs) were established to manage the local NHS. The SHAs have a strategic role and are responsible for:
 - Developing plans for improving health services in their local area
 - Making sure local health services are of a high quality and are performing well
 - Increasing the capacity of local health services - so they can provide more services
 - Making sure national priorities are integrated into local health service plans
6. Nottinghamshire is served by the Trent Strategic Health Authority, which also covers Derbyshire and Lincolnshire.

Restructuring

7. On 28 July 2005 the Department of Health published Commissioning A Patient-Led NHS which instructed SHAs to “reconsider the optimal configuration of PCTs, and where appropriate Care Trusts, and SHAs and their fitness for purpose.” Trent SHA asked the Nottinghamshire PCTs to consider options for the future.
8. The Nottingham/Nottinghamshire PCTs established the Nottinghamshire Steering Group to develop and evaluate proposals. The Steering Group was chaired by Eleri De Gilbert, Chief Executive of Ashfield and Mansfield Primary Care Trusts who will be attending the meeting of the Select Committee.
9. The Steering Group considered six models:
 - **Model One** - One PCT: Nottinghamshire wide PCT
 - **Model Two** - Two PCTs: Nottingham City PCT & Nottinghamshire County PCT
 - **Model Three** - Two PCTs: North Nottinghamshire PCT and South Nottinghamshire PCT
 - **Model Four** - Three PCTs: Greater Nottingham PCT, Central Nottinghamshire PCT & Bassetlaw PCT
 - **Model Five** - Three PCTs: Nottingham City PCT, Nottinghamshire County PCT & Bassetlaw PCT
 - **Model Six** - Three PCTs: Nottingham City PCT, North Nottinghamshire PCT and South Nottinghamshire Boroughs PCT
10. The PCTs and NHS Trusts identified Model two as the preferred option. The Steering Group then conducted a consultation with key stakeholders including the Chief Executives and Directors of Social Services from the City and County Councils.

11. Model 2 was also supported by Members on the Joint Health Scrutiny Committee on 20 September 2005.
12. The Steering Group recommended Option 2 to the Trent SHA.
13. This option was not considered to be appropriate by Bassetlaw PCT who considered that the needs of the local community would be best served by the retention of a PCT for Bassetlaw. Doncaster and Bassetlaw Hospitals NHS Foundation Trust were not a part of the Nottinghamshire Steering Group as they are part of the South Yorkshire SHA but were consulted on the proposals. The Trust was supportive of the need for a separate commissioning body for Bassetlaw. An alternative proposal to provide this was submitted by Bassetlaw PCT to the Trent SHA.

Neighbouring Counties

14. The Trent SHA also received proposals for Lincolnshire and Derbyshire. Lincolnshire recommended having one commissioning body. Derbyshire considered whether the PCTs should be restructured to two commissioning bodies, one to serve the County and one the City but decided upon recommending one commissioning body across the County and City.
15. At the Meeting of the Joint Health Scrutiny Committee on 20 September 2005, prior to the Trent SHA Board Meeting, the Chair of the SHA Board, Arthur Sandford noted that the Nottinghamshire and Derbyshire PCTs, which he considered to serve comparable needs, had both reached different conclusions with Derbyshire recommending one commissioning body across the whole county and city area and Nottinghamshire two.

Trent SHA Board

16. The Trent SHA considered the Nottinghamshire and Bassetlaw proposals and those submitted by the PCTs of Derbyshire and Lincolnshire at a Board meeting on 20 September 2005. The full report 42.05 Commissioning a Patient Led NHS is available from the Board papers on the Trent SHA website <http://www.tsha.nhs.uk/>. It decided to recommend to the Secretary of State that two options for Nottinghamshire to be considered for public consultation. One option for a single commissioning body for the whole of the county including Nottingham City and a second option of two commissioning bodies, one for Nottingham City and one for the rest of the County. The Board did not support the case for a commissioning body for Bassetlaw. The Board also requested that further work be undertaken which may lead the Authority to be in a position of identifying a preferred option prior to submission.

17. At the Trent SHA Board meeting it was decided to consult on two options for Derbyshire –one commissioning body across the county/city area and one commissioning body for the County and one for the City. Lincolnshire's proposals for one commissioning body were accepted.

Issues

18. The Select Committee established a Study Group to consider issues in relation to the reconfiguration. The Study Group met on 4 November 2005. A paper will be circulated at the Select Committee meeting outlining the terms of reference as agreed by the Study Group for consideration and approval.
19. At the last meeting of the Select Committee Members raised concerns about the proposals being considered and the consultation process. Because of the depth of Member interest the Chair of the Nottinghamshire Steering Group has been invited to attend the Select Committee meeting rather than a meeting of the PCT Restructuring Study Group. Members may wish to ask Eleri De Gilbert, Chief Executive of Ashfield and Mansfield Primary Care Trusts questions on some of the following issues:

Restructuring Proposals

20. The NHS has indicated that the restructuring of PCTs should be based upon the new organisations ability to meet the following criteria:
- secure high quality, safe services;
 - improve health and reduce inequalities;
 - improve the engagement of GPs and rollout of Practice Based Commissioning with demonstrable practice support;
 - improve public involvement;
 - improve commissioning and effective use of resources;
 - manage financial balance and risk;
 - improve coordination with social services through greater congruence of PCT and Local Government boundaries;
 - deliver at least 15% reduction in management and administrative costs.

Future Role of PCTs

21. The PCT reconfiguration alters the role of PCTs from organisations that provide and commission services to a purely commissioning role. This role will include:
- improving the health of the community and reducing health inequalities;
 - securing the provision of safe, high quality services;
 - contract management on behalf of their practices and public;

- engaging with local people and other local service providers to ensure patients views are properly heard and coherent access to integrated health and social care services is provided;
- acting as provider of services only where it is not possible to have separate providers – and with arrangements for separating out decisions on commissioning from provider management;
- emergency planning.

Practice Based Commissioning

22. The new commissioning bodies will be expected to ensure a transition to a system of Practice Based Commissioning by the end of 2006. GP practices will take on responsibility from their PCTs for commissioning services that meet the health needs of their local population, with the following main functions:

- designing improved patient pathways;
- working in partnership with PCTs to create community based services that are more convenient for patients;
- responsibility for a budget delegated from the PCT, which covers acute, community and emergency care;
- managing the budget effectively.

It is intended that Practice Based Commissioning will provide a local focus for primary care.

23. Under Practice Based Commissioning the placing and managing of contracts will be carried out by the reconfigured PCTs on behalf of practice groups. They will also provide GP Practices with management support, varying dependent of the numbers of practices involved.

Direct Provision of Service

24. The direct provision of service does not form part of the new role for PCTs and will be transferred to other providers. The Nottinghamshire Steering Group recommended to the Trent SHA that the new PCTs would inherit the current PCT direct provision of services pending the outcome of a wider review. The review is being conducted by a sub-group of the Nottinghamshire Steering Group.

RECOMMENDATIONS

It is recommended that:

- i. the comments of the Select Committee be forwarded to the PCT Restructuring Study Group
- ii. the terms of reference of the PCT Restructuring Study Group be approved.

Councillor James T Napier
Chair, Health Select Committee

Background Papers:

Trent Strategic Health Authority Board report 20 September 2005 (42.05)