

- (i) **Public Service Trust - Herefordshire** - Cabinet has considered further proposals for the establishment in principle of a Public Service Trust for Herefordshire designed to give effect to the Council's response to the West Midlands South Strategic Health Authority (SHA) consultations early in 2006 on the reconfiguration of Primary Care Trusts (PCTs) in the region. That consultation arose from the Department of Health's publication "Commissioning a Patient Led NHS". Cabinet has endorsed the recommendation which arose from the report jointly commissioned by the Council and the PCT from Alan Curless of Alan Curless and Associates Limited.

Attached as Appendix 1 is a summary of the main issues covered by that report. A copy of the full report is available upon request. Cabinet has endorsed the principles set out in the report and much work remains to be done and further reports will be required prior to its implementation. There will also be a period of public consultation. Cabinet has approved the report as a basis for continuing negotiation and further report to the Council and PCT. If implemented, the proposals would see much closer integration of the work of the Council and the PCT with the potential for a single Chief Executive and Management Team being accountable to both the Primary Care Trust and the Council.

Cabinet noted that the originally envisaged timetable for implementation from 1st April, 2007 had been affected by:

- Changes in leadership within the PCT;
- An evident and understandable indication on the part of the PCT as a result that they wish to proceed rather more cautiously than had originally been intended;
- The apparent lack of pressure from the Strategic Health Authority for implementation from 1st April, 2007;
- The lack of availability of additional funding to assist with the delivery of the initial phase of the programme; and
- The differing levels of flexibility available in relation to the split of commissioning and providing and the inhibition that may present to the realisation of the 1st April, 2008 phase.

Cabinet has placed on record its view that the model envisaged from 1st April, 2007, whilst providing an appropriate means of phasing and protection of service delivery, is not financially or managerially sustainable for more than a year and that the parties should make every effort to reduce that period.

In maintaining its commitment to the proposed recommendation, Cabinet has authorised the Leader of the Council and the Chief Executive to examine with the PCT the advantages and disadvantages of moving more immediately to the proposed fully integrated 1st April, 2008 model recognising, in particular:

- The immediate pressures faced by the Council and PCT;
- The need for clear and unambiguous leadership;
- The need for clarity, speed and purpose in the delivery of change;

Appendix 2
Report of meeting of Cabinet 26th October, 2006

- The clear risks to both parties of the inability to move beyond the 1st April, 2007 model; and
- The possibility of a start date which does not coincide with the financial year.

Cabinet has been keen to demonstrate its commitment to the recommendations and has, therefore, indicated it will commit itself to:

- Making immediate provision to commit senior staff resources to provide capacity to develop the identified workstreams subject to identifying the resources to undertake that work;
- Its share of the resourcing of an interim Project Director to ensure that these workstreams are project managed and, subject to the agreement of the PCT, to project manage these workstreams within the PRINCE 2 methodology and additionally to select and commit to an appropriate Change Management model;
- Reaffirming its commitment to the involvement of the PCT in the appointment to the currently advertised statutory post of Director of Children's Services ensuring:
 - (i) That the respective implications of the approval of these outline proposals by the PCT and the Council are drawn to candidates' attention; and
 - (ii) The Chairman of the PCT be invited to join the Members' interviewing panel;
 - Arrangements being made for the recruitment consultants retained by the Council to see any suitably qualified applicants for the post of Director of Children's Services from within the PCT;
 - The PCT being invited to indicate if and how they would wish to be involved in the recruitment of the post of Director of Environment currently advertised;
 - Protocols being established to ensure that future senior posts within both the PCT and the Council are only advertised when consideration has been given to how recruitment to those posts can further the model to which both parties have committed themselves;
 - in recognising the statutory requirements on the PCT to undertake public consultation, committing the Council to joint public consultation on these proposals within the framework of the Community Involvement Strategy adopted by the Herefordshire Partnership.