

HEREFORDSHIRE PUBLIC SERVICE TRUST PROJECT

PROJECT INITIATION DOCUMENT

INTRODUCTION AND BACKGROUND TO THE CONCEPT OF THE PUBLIC SERVICE TRUST

The concept of a Public Service Trust arose from the consultation undertaken by the West Midlands South Strategic Health Authority on the reconfiguration of PCTs in the region as a result of the Department of Health's "Commissioning a Patient Led NHS" proposals. Those proposals sought to establish larger PCTs with strengthened commissioning capacity and to create a clear separation between commissioning and providing roles. It was clear that locally the PCT would not remain unaffected by these reforms and choices would have to be made about future configuration and direction. Given the strong sense of community and close working relationships in Herefordshire the preferred option was to retain a Herefordshire based PCT and to exploit the advantages of an even closer working relationship with Herefordshire Council. The result of which is the development of a radical and exciting option to form a Public Service Trust (PST). This would see all of the resources of both the Council and the commissioning functions of the PCT being much more closely aligned for the direct benefit of service users.

This Project Initiation document therefore establishes the framework for taking this innovative and unique proposal forward.

CHALLENGE

The challenge which was faced in Herefordshire was that of being in geographical terms one of the three largest local authorities in the West Midlands Government Office area but in terms of population being one of the smaller of the upper tier or single tier authorities within the region. It is also in national terms the most sparsely populated unitary authority. Those challenges based as they are on the issues of geographic size and population are replicated when it comes to consideration of the appropriate size of unit required to commission health services. It is this challenge to which the Public Service Trust proposal seeks to respond to establish a unique model of public service provision across local government and health to respond to the particular needs of Herefordshire.

VISION

The emerging vision is that of a single public service commissioning body for Herefordshire, capable of supporting both the Council and the Primary Care Trust in ascertaining and prioritising the needs of the community; and in securing high quality services to meet those needs. In governance terms, there will be a need to establish a new public service organisation called a Public Service Trust to fulfil the

commissioning role of the PCT and the Council and to ensure, in particular, that those arrangements enable the Council to fulfil any Children's Trust obligations and other statutory responsibilities..

It would be illogical for the wider vision for the organisation to be other than that to which both organisations already subscribe through the Herefordshire Partnership and as set out in the Community Strategy, namely:

Herefordshire will be a place where people, organisations and businesses working together within an outstanding natural environment will bring about sustainable prosperity and well-being for all.

To help individuals achieve their potential and improve health, well-being and prosperity, the new public service organisation will work within the four themes of the Community Strategy. Whilst these themes will cover much of the PST's work there will be other areas that form part of the Primary Care Trust's responsibilities that are not currently captured by these themes. This project will seek to integrate them into the Community Strategy.

HEALTHY COMMUNITIES AND OLDER PEOPLE

- Reducing health inequalities and promoting healthier lifestyles.
- Ensuring older people and vulnerable adults enjoy more independence and choice.

CHILDREN AND YOUNG PEOPLE

- Ensuring children and young people are healthy and have healthy lifestyles.
- Ensuring children and young people are safe, secure and have stability.
- Ensuring children and young people achieve education, personal, social and physical standards.
- Ensuring children and young people engage in positive behaviour inside and outside of school.
- Ensuring children and young people engage in further education, employment and training on leaving school.

ECONOMIC DEVELOPMENT AND ENTERPRISE

- Creating more and better paid employment.
- Creating a more adaptable and higher skilled workforce.
- Reducing traffic congestion through access to better integrated transport provision.
- Reducing hardship by encouraging the uptake of benefits for those who have an entitlement.

SAFER AND STRONGER COMMUNITIES.

- Reducing levels of and fear of crime, substance misuse and anti-social behaviour
- Minimising accidents
- Creating cleaner and greener and communities seeking to ensure that people are active in their communities and fewer are disadvantaged.

In integrating the organisations in this way, it will be important to adhere to the following principles:

- Creating single points of access;
- Establishing clear pathways to service provision;
- which will also:
 - Be responsive to individual needs and engage people and their communities in the shaping and prioritisation of services.
 - Draw on the partnership across and between the public sector bodies in the County
 - Establish strong links between individual components of service within the Partnership
 - Eliminate unnecessary organisational and professional barriers, maximising the effective commissioning and provision of service to meet individual needs.

This describes what the Public Service Trust is seeking to achieve on behalf of the community but it is not possible to describe each and every individual component of service, commissioned or provided by the Council or commissioned by the PCT.

DELIVERY OF THE VISION

The integration of public service provision envisaged needs to be managed in a way which effectively uses the principles of project management and change management.

Project Management Arrangements

Mr. Russell B. Hamilton, former Chief Executive of Hereford and Worcester Ambulance Service NHS Trust, has been appointed as Project Director to project manage the initial work on the project. Russell B. Hamilton will be supported initially on a part-time basis by Helen Playdon who is seconded from the PCT to the role of Project Officer. The project office will be located centrally in Hereford.

Project Timetable

One of the early tasks will be to establish a project timetable which will enable the arrangements to operate in shadow from 1st October 2007 with both commissioning and provider arms being fully functional by at the latest April, 2008. The PST development project will therefore run in parallel with Primary Care Trust Provider Services Project. The Steering Group will maintain close links with the Provider Services Project Team who together will need to

consider whether it is feasible for the public consultations on the proposals to be carried out jointly.

Consultation and Public Involvement

The PCT and the Council are committed to engaging key local stakeholders e.g. not for profit / voluntary sector in the process and to consulting the local population on the proposals that emerge from this work. The importance of this is recognised by the formation of a Working Group that is to be established specifically for this purpose.

Work Streams

The initial work on the project will need to be undertaken through a series of work streams, for the most part jointly staffed by the PCT and the Council. The key principles to be adopted in the project management of the work streams are:

- To maintain two-way communications with and between the other work streams that form part of the development programme;
- To provide regular updates on progress;
- To manage the work by reference to Prince 2 principles;
- Develop and modify the work streams as set out in the remainder of this part of the paper, preparing appropriate papers and ensuring that the work being undertaken in parallel within the work streams is co-ordinated and focused on the delivery of the project time table.

A number of work streams (Working Groups) are proposed and these are set out below:

(i) Project Steering Group

It is proposed to establish a Project Steering Group which will be jointly chaired by the Leader of the Council and the Chair of the PCT. The Chief Executive of the Council and the Chief Executive of the PCT would also serve as part of the Project Steering Group. It is proposed that the Project Steering Group be further augmented by the appointment of one further Councillor from the Council, one further non-Executive Director from the PCT and the Chairman of the PCT's Professional Executive Committee (PEC).

The Project Steering Group will –

- Be responsible to the Council and the PCT for the overall conduct and delivery of the PST project;
- Be responsible for the provision of appropriate resources and financial accountability of the project, given the risk to which the unsuccessful delivery of the PST would represent for both organisations in financial and representational terms;

- Be responsible for monitoring progress, ensuring that the individual work streams are managed as a whole to achieve the best possible results for the people and communities of Herefordshire;
- Oversee the implementation of the Communication Strategy agreed for the programme
- Adopt an appropriate change management model which would enable the new organisation to recognise the differences in culture between the PCT and Council, and to establish a new set of core values enabling it to build on the existing strengths of both contributing organisations;
- Receive regular reports from the Chief Executive of the Council and Chief Executive of the PCT based on the Project Director's reports from the below listed work streams.
- Receive regular reports and updates from the Chairs of Working Groups established by the Steering Group.
- Receive regular reports and updates regarding the progress of the PCT's Provider Services Project.

(ii) **Human Resources and Change Management**

Chair: Julie Thornby

- To agree a joint change management policy across both organisations;
- To determine the HR implications of creating the PST;
- To determine a recruitment policy to fill vacancies;
- To determine the future HR needs of the PST and how these are best met.
- To ensure that effective arrangements for engaging staff and their representatives exist.

(iii) **Clinical and Corporate Governance**

Chair: Ian Tait

- To determine appropriate arrangements to meet the overall requirement of the Council and the PCT;
- To meet the legal requirements for governance to enable both the Council and the PCT to satisfy the requirements of the Local Government Acts and Health Acts respectively, including overview and scrutiny arrangements.
- To determine the appropriate structure for financial governance to ensure the financial requirements of both Local Government and NHS can be secured, including any statutory or audit requirements.

- To enable both organisations to meet any subsidiary requirements in relation to use of resources, value for money, efficiency savings.
- To establish arrangements to secure the clinical / non-clinical governance requirements to the NHS and the government requirements imposed on local government especially in relation to specific services for adults and children.
- To secure appropriate arrangements for the overall corporate governance of both organisations, particularly in the areas of code of conduct, standards, diversity.
- To establish arrangements to implement relevant policy frameworks (e.g. Civil Contingencies; Freedom of Information; Data Protection etc).

(iv) **Communication, Consultation and Involvement and Clinical Engagement**

Chair: Robert Blower

- To map and evaluate key internal and external communications channels and activities across the PCT and Council.
- To commit to a single integrated communication and consultation approach during the run up to the establishment of a Herefordshire PST, and to form the basis of a culture change programme.
- To identify and prioritise stakeholders in the PST as the basis for structured communications, consultation and involvement.
- To establish shared principles for communications, consultation and involvement.
- To create an integrated communication and consultation strategy.
- To develop a clear and simple brand structure, building on existing brand equity.
- To ensure effective clinical engagement

(v) **Customer and Patient Services**

Chair: Jane Jones

- To map out existing customer and patient service provision, practice and provision within the PCT and the Council;
- To commit to a single integrated approach to customer and patient services and to establish the principals that will be used to guide that model;
- To establish a common set of customer standards, training and culture in the approach to customers and patients;
- To seek to establish in as far as is possible a single coherent system for dealing with complaints. (Any such system will need to

be capable of meeting the different regulations within local government and the NHS and internally in both organisations);

- To incorporate the relevant diversity framework which would enable any legal and corporate governance requirements to be fulfilled.

(vi) **Corporate Resources and Finance**

Chair: Sonia Rees

- To establish overall direction and appropriate reporting for the development of corporate resource management (covering finance, property and ICT) frameworks for the PST;
- To be responsible for the overall conduct and delivery of the development of such strategies;
- To determine appropriate fit of services and support arrangements.

(vii) **Planning, Commissioning and Performance Management**

Chair: Yvonne Clowsley

- To establish overall direction and appropriate reporting for the development of planning, commissioning and performance management frameworks for the PST;
- To be responsible for the overall conduct and delivery of the development of such strategies;
- To identify and agree a definition of commissioning which is appropriate for Children's Trust arrangements, Adult Social Care and the wider Council and PCT delivery arrangements as they link to the PST proposals;
- To liaise with other working Groups to identify and agree a range of Key Performance Indicators (KPI's) that both fulfil the current national reporting requirements and support the development of the PST.

(viii) **Public Health and Health Improvement**

Chair: Frances Howie

- To assess public service needs;
- To maximise opportunities for public health programmes which safeguard and improve the health of local people in line with local and national priorities;
- To satisfy both organisations that their statutory responsibilities will be delivered.

(ix) **Environment Services**

Chair: Andy Tector

- To determine how the outcomes for the following key priorities can be influenced by the delivery of services through a Public Service Trust:
 - Sustainability through minimising waste and responding to climate change;
 - Safer and stronger communities by reducing traffic accidents, congestion and improving the street scene, improving economic development, innovative forward planning and delivery of the Respect Agenda;
 - Public protection through food safety inspections and food licensing
 - To reduce the human and economic impact on the community and of those whose life is lost or severely affected as a result of preventable incidents.
 - To recommend appropriate organisational arrangements to secure added value in the way services are delivered.
 - To identify and determine how the development of environmental health services will contribute to the improving health of the population.

FRAMEWORK FOR THE WORK STREAMS (Working Groups)

It is proposed that the work streams should be tested against the success criteria set out in Annex 2 of the paper prepared by Alan Curless and Associates Limited and which formed part of the report to both the PCT and the Council on which the original approval was based. The six criteria which provide the framework within which the work streams should operate are:

Criterion 1: To improve services to the customer

Criterion 2: To improve utilisation of resources

Criterion 3: To meet expectations of key stakeholders

Criterion 4: To improve future viability of independent Herefordshire public sector bodies

Criterion 5: To satisfy Herefordshire Council and Herefordshire PCT Board governance and delivery agenda

Criterion 6: Raises the Herefordshire profile at regional and national level.

Further details as to those criteria are set out in Appendix 1 attached to this document.

Each group will be expected to provide the Steering Group with regular progress reports detailing its work. They will also need to provide the Steering Group with a self assessment against the six criteria (above).

LEADERSHIP

An essential component of any change programme is the establishing of clear leadership.

That leadership needs to be established at the earliest possible opportunity and given the composition of the two bodies needs to be established in both governance and managerial terms.

In **governance** terms, clear leadership will be required from the Chair of the PCT and the Leader of the Council. It is proposed that that obvious leadership be augmented by creating support for the Chair of the PCT and the Leader of the Council by the appointment of one further non-Executive Director from the PCT and one further Councillor from the Council. It is also proposed to augment the leadership in governance terms by appointing the, Chairman of the PCT's Professional Executive Committee who is the Trust's lead clinician.

In terms of **managerial** leadership, this will be provided initially through the Chief Executive of the Council and the Chief Executive of the PCT. Their primary managerial responsibilities will, however, remain with the running of their existing respective organisations pending the appointment of a single individual for the post of joint Chief Executive who would discharge the duties of Chief Executive of the PCT and Chief Executive and Head of Paid Service of the Council. That appointment will be an important first step in establishing leadership of the new organisation and, subject to the requirements of consultation and formal agreement by the Council and PCT, every endeavour should be made to secure that appointment at the earliest possible stage.

ISSUES TO CONSIDER FOR EACH CRITERION:-

CRITERION 1: TO IMPROVE SERVICES TO THE CUSTOMER

- Single point of access to services
- Single assessment process and individual plans
- Better integration of services and greater coherence
- Local Social and Health Care Zones
- Separation of commissioning and procurement
- Less health inequalities
- Better communication with the public
- Putting people more in control of health and well-being
- Stronger focus on prevention
- Stronger Public Health Agenda
- Improved provision
- Single complaints system
- Meet community expectations
- Improved performance against targets
- Providing stronger market management and more opportunity to develop
- Innovative provision through joined-up commissioning
- Greater clinician involvement across a wider range of health and social care needs

CRITERION 2: TO IMPROVE UTILISATION OF RESOURCES

- Better value for money and cost savings
- Savings on management costs
- Better use of current estate and more co-location
- Providing stronger commissioning of services for the public, by combining scarce commissioning capacity, with the aim of improved performance and better outcomes for individuals and communities
- Improved and better co-ordinated research
- Improved public consultation process
- Improved performance management/performance assessment
- Better integration of all services e.g. Housing, Leisure, Transport
- Opportunity for shared back office functions
- Opportunity to review systems and improve
- Reduction in number of committees
- Major Human Resource Management opportunities

CRITERION 3: TO MEET EXPECTATIONS OF KEY STAKEHOLDERS

- Improve prospect of delivering Local Strategic Partnership plan and Herefordshire Partnership agenda
- Meet Strategic Health Authority agenda – status quo for Herefordshire PCT not acceptable because of size and scale of operation
- Supports Governments vision for closer working and integration of services
- Provides the Community Leadership role of local authority
- Separation of commissioning and procurement
- Provides further opportunities for the third sector
- Provides opportunities for other public sector bodies to integrate services and provision into the Public Service Trust
- Satisfies the community agenda – decision making taken more locally
- Improves Value for Money
 - Costs - Economy
 - Inputs and Outputs - Efficiency
 - Outcomes - Expectations

CRITERION 4: TO IMPROVE FUTURE VIABILITY OF INDEPENDENT HEREFORDSHIRE PUBLIC SECTOR BODIES

- Economies of scale and rural factors requires a more imaginative solution to structures
- Pressure each year on local authority budget
- Need to reduce management costs at Herefordshire PCT by 15%
- Expectations of Strategic Health Authority
- Need to avoid duplication and increase shared services
- Other public sector bodies able to join in and therefore, reduce costs
- Improves prospects of recruiting wider choice of senior managers
- A “rural proofed” solution to achieve viable services for relatively small rural populations, distant from other population centres, by combining LA and PCT commissioning requirement

CRITERION 5: TO SATISFY HEREFORDSHIRE COUNCIL AND HEREFORDSHIRE PCT BOARD GOVERNANCE AND DELIVERY AGENDA

- Creating a more effective force to sustain and develop a vibrant local economy, and deliver the targets of the LAA
- Difficulty in delivering the proposed structure
- Needs to take into account changes in the Herefordshire PCT Board and Senior Management Team
- Needs to take into account possible political changes within Herefordshire Council
- Need to ensure that good governance arrangements are in place to satisfy both parties
- Need to convince both parties of the customer benefits and the control of funds
- Potential press and external reaction to the proposal
- Potential Senior Management Team and staff reaction
- Creating a formal governance arrangement to deliver:-
 - Children's Trust arrangements
 - Public Health joint programme
 - Key parts of the LAA
 - A mechanism for GP practice based commissioners to work with commissioners of broader services beyond health, a Herefordshire PST, could for example, develop annual accountability arrangements with practice based commissioners including public health targets

CRITERION 6: RAISES THE HEREFORDSHIRE PROFILE AT REGIONAL AND NATIONAL LEVEL

- Benefits of a flagship project
- Potential to ask for greater flexibilities
- Potential to improve funding because new proposals are innovative
- Improves the prospect of recruiting wider range of senior managers because of the innovation
- Opportunity to build on current good practice and improve external assessment ratings