

1. INTRODUCTION

An initial proposal for a Public Service Trust for Herefordshire has already been submitted to the Strategic Health Authority with Herefordshire Council's "in principle" support. A more detailed report was then considered by the Council's Corporate Management Board, PCT Board and PCT Directors. However, the next key milestones, identified in the report, have been delayed pending the outcome of the review of PCTs. Now that it has been agreed that the Herefordshire PCT will continue as a stand alone PCT the detail planning and development phase for establishing the PST can begin.

Following my appointment, I was asked to complete an initial piece of scoping work. The object of the scoping work was to identify the challenges, to put the issues into a more ordered form; and to arrive at a measured conclusion as to what days would be required to take the project to the end of Part 2 of the development which would be an initial worked through proposal. During the scoping exercise the following people have been interviewed.

Neil Pringle	Herefordshire Council	Paul Bates	Herefordshire PCT
Jane Jones	— .. —	Simon Hairsnape	— .. —
Geoff Hughes	— .. —	Dr. Frances Howie	— .. —
Sue Fiennes	— .. —	Brian Hanford	— .. —
Jennifer Watkins	— .. —	Julie Thornby	— .. —
Stephanie Canham	— .. —	Trish Jay	— .. —
Sonia Rees	— .. —	John Chapman	Non-Executive
		Helen Horton	- The Alliance
Roger Phillips	Leader of the Council	Catherine Griffiths	- WM SHA
Olwyn Barnett	Herefordshire Councillor	Dr. Paul Downey	- Pendeen Surgery
Don Rule	Herefordshire Councillor	Staff in Ross-on-Wye Community Hospital	

Also telephone conversations with Government Office West Midlands.

Key Messages

- There was unanimous support for the setting up of a Public Service Trust.
- A start date of 1st April 2007 was feasible but only part of the vision could be achieved by the start date – therefore, need to prioritise.
- Some minor suspicions regarding motives were mentioned but nothing serious.
- We should start the process immediately.
- Partnership was very strong in Herefordshire and there are many examples of joint working in place. The overall view was "if it cannot work in Herefordshire it cannot work anywhere".
- Future budget pressures would force the need for more joint working.
- Both Herefordshire Council and Herefordshire PCT are relatively small organisations. Their future survival could depend on more integration.
- In the long term more organisations could be integrated into the Public Service Trust.
- Establishment of a Public Service Trust will be a flagship project and could enable additional pilot funding – as there will be an increase in costs in the short term.
- The initial proposal for a Public Service Trust was too limited in scope regarding integration.

2. THE VISION

The proposal to set up a Public Service Trust for Herefordshire encapsulates the government's vision of transforming the NHS“ from the national illness service it currently is into a truly national health service”, and is underpinned by the following three aims:-

- Lifelong health
- Fast, safe and effective service
- World class care

Much of the achievement in the delivery of this strategy over the next ten years will rely on good partnership working, especially the Herefordshire PCT, Herefordshire Council, public health and voluntary organisations working towards a single goal of improving the quality of life in Herefordshire.

There is an increasingly shared agenda about how the community leadership role of local authorities can be used to promote health and well-being. The Department of Health White Paper “Our Health, Our Care, Our Say,” provides a useful basis for dialogue about the most appropriate local governance systems for securing sustained re-alignment of the whole health and social care system towards prevention and empowerment.

Although successes in joint working between the NHS and Local Government can be readily identified, much of the evidence relates to improved processes rather than better outcomes for individuals and communities. More radical approaches which align and integrate decision making, resource allocation and accountability in the organisational mainstream are now required.

A fundamental shift to structures, systems and processes that promote well-being, social inclusion and regeneration needs to be at the heart of local governance arrangements. It is only Local Government that can bring together a well-being package of transport, housing, education, welfare to work, regeneration and all the other functions necessary for strong social care. Health is part of that package.

Reforms to health care are moving the NHS away from its traditional model of service provision towards a new vision for provision in the health and social care system. The provider ‘market’ will become increasingly plural and diverse. Different organisations will contribute their different strengths – public service values, strong governance and accountability from the public sector, commercial discipline and customer focus from the private sector and the unique strengths of the third sector embodied in its independence from government and shareholders, and its focus on service users and innovation to respond to their needs.

Providers will be more flexible, innovative and responsive to the changing needs of patients, service users and carers, and commissioners. As far as the individual service user is concerned, the quality of care will matter more than which organisation provides it. Standards will be assured through providers being subject to independent review and inspection. Increasingly, the focus of commissioning should be on achieving positive outcomes for service users as well as value for money for tax payers.

The balance of provision will shift. More care will be provided closer to home. Hospital services will increasingly be provided within communities. This will challenge the old distinctions between primary, community and secondary care, as well as health and social care. There will be new opportunities for innovative providers from any sector to meet the needs of users – competing as well as cooperating for the benefit of patients and users.

The Government's vision is of a new strategic direction for all the care and support services that people use in their communities and neighbourhoods. There are three simple themes, which people have identified as needs:-

- Putting people more in control of their own health
- Enabling and supporting health independence and well-being
- Rapid and convenient access to high quality, cost – effective care.

The vision for Herefordshire PCT is for a sustainable, dependable service, capable of delivering real and lasting improvements to peoples' health regardless of their location, age, ethnic origin or ability to pay. The goal is a society where there is less variation in life expectancy between rich and poor, where no-one is denied access to the services they need and where the elderly can live full lives in a place of their choosing. At the heart of these reforms is a commitment to shape services around the needs and expectations of patients.

Over the next six months a team of dedicated professionals will need to lead the transformation change programme to set up the infrastructure and embed a service culture throughout the key organisations. This is necessary in order to create the new structure for an effective delivery of services across Herefordshire Council and Herefordshire PCT, which incorporates the separation of commissioning and service delivery.

Following the proposed appointment of a Chief Operating Officer the new organisation will move from the planned opening in April 2007 through the full planned implementation to be completed by April 2008. Within 12 months a fully functioning Public Service Trust operation will be in place and will have the confidence of customers and stakeholders. It will take customer service, quality and efficiency to higher levels. In addition to this, the Chief Operating Officer will develop and implement strategies that deliver high quality, cost effective and value for money integrated services to the Herefordshire community and look for ways to continually improve performance, including the development of Social Enterprises where appropriate.

3. PUBLIC SERVICE TRUST - GOVERNANCE ARRANGEMENTS

Introduction

Good corporate governance will ensure the delivery of high quality, cost effective services, which embrace public trust and satisfaction with public bodies.

Good practice includes the following:-

- A shared understanding of the roles, responsibilities and accountabilities of each partner.
- A shared ownership of the vision and strategy.
- Reliable financial data, with clear responsibilities for determining the financial liabilities of each partner.
- Reliable performance management arrangements between individual organisations and the partnership.
- More structural and comprehensive reporting on performance and finance.
- Improved risk management process.
- Robust systems and processes which produce timely and appropriate information for decision makers.
- Evidence of the value for money of the partnership arrangement.
- An agreed exit strategy in the event of breakdown.

The elected members of the Herefordshire Council have a unique role in carrying out responsibilities for the overall balance of governance in the county of Herefordshire and being directly accountable to its citizens. As such their support to the Public Service Trust process is crucial to achieving success. There is also a key role for the Overview and Scrutiny Committee.

For the Public Service Trust, Herefordshire Council and Herefordshire PCT to be effective and agree local priorities that improves local services, all parties need to be clear what is expected of them and deliver relevant actions. Strong positive leadership from the local authority is crucial, clarity of role and effective leadership alone will not ensure clear and transparent lines of accountability. Clear accountability requires:-

- Mutual understanding and acceptable ways of working
- Internal performance management to check progress
- External scrutiny

Key Questions which need to be addressed as part of the overall governance arrangements are as follows:-

- 1) Rationale for the Trust
 - why should the Trust exist?
 - what are its agreed aims?
 - how will they be published?
 - is there a better way of serving the public?
 - How ambitious should the integration be?

- 2) Added value from the Trust
 - how will the Trust add value?
 - how will it demonstrate added value to the public?
 - how will it know whether funds are being well spent?
 - how will the public know that trust funds are being well spent?

- 3) Governance arrangements
 - who should be members of the Public Service Trust Board?
 - how will they be accountable to their respective sponsoring organisations?
 - how do the Trust's corporate governance arrangements link to those of individual partners?
 - are the governance arrangements for clinical governance explicit?
 - is there a clear link to the PCT's Professional Executive Committee and Practice Based Commissioning arrangements?
 - how will decisions be made?
 - how will decisions be recorded?
 - who makes sure they are acted on?
 - who scrutinises the decision?
 - to whom are they reported?

- 4) Performance Management
 - how will we know which Trust targets it is meeting and which it is failing to meet?
 - who manages and reports progress?

- 5) Financial Management
 - who provides the money and from which pot?
 - who decides how to spend it?
 - what happens if one partner is overspending?
 - how will underspend or overspend be dealt with?
 - can the money be reallocated?
 - what are the financial reporting arrangements?
 - what is the charging policy for services?

- 6) Risk Management
 - how will it know when things are going wrong?
 - who can take action when things are going wrong?
 - how will it resolve conflicts of interest?
 - are there clear protocols for managing conflict?
 - how is risk register determined and updated?

- 7) Termination Arrangements
 - what are the arrangements if the Trust comes to an end?
 - or one partner no longer wishes to be involved?
 - how would resources be allocated back to partners?

- 8) Serving the Public
 - how effective will the Trust communicate with the public?
 - how can the public ask service users to obtain redress when things go wrong?
 - is there a centralised complaints and suggestions process the public can use?

- 9) Accountability
 - what are the arrangements for annual reports and public meetings?
 - how will decisions be scrutinised?
 - what is the role of audit and inspection?
 - how will research and consultation be agreed and implemented?
 - what is the role of elected council members, cabinet, board directors in scrutinising the partnership?
 - how will decision making link back to the Herefordshire Partnership?
 - what will be the links with Strategic Health Authority and Government Office?
 - how will complaints and challenges from the Ombudsman be dealt with?
 - how can the general public be engaged in the process?

- 10) Joint Agreements
 - how much will each partner contribute?
 - how will they deal with unanticipated demands during the year?
 - how will underspends/overspends be dealt with at the end?
 - how will the funding and the targets be monitored and reported?
 - what are the service and staff management arrangements?
 - what are the insurance arrangements?
 - is there a dispute resolution in place?
 - what are the termination arrangements?
 - have all sections of the section 31 agreement been addressed and jointly agreed?

These key questions should be used as follows:-

- a) To be used by PCT Board Directors and Council Members to ensure that all the key questions have been answered as part of the overall Governance arrangements.
Answers to these questions should be covered in the final partnership agreement – see section 7

- b) To be used as a reference check list as part of the change process, to ensure the areas are understood as they are being developed.

4. INTEGRATION PROGRAMME DEVELOPMENT COMMITTEE STRUCTURE PROPOSALS DEVELOPMENT STAGE

1) The Integration Programme Board

Membership should be drawn from the sponsoring organisations and be a mixture of CEOs, Council Cabinet Members and PCT non-executive Board Members.

Responsibilities include the following:-

- approve the initial proposal and business case
- approve the project brief and agree statement of requirements
- approve the project brief
- agree the stakeholder list
- agree the scope of work statement
- agree the risk assessment
- agree membership of the Programme Steering Team
- agree the Programme Leader and Programme Administrator
- agree the reporting mechanism
- receive programme reports
- resolve key policy decisions
- agree funding and other resources
- provide clear guidance on responsibilities, authority and accountability
- respond rapidly to issues requiring high-level decisions
- sustain the priority of the project
- sustain the project direction to avoid “scope creep”
- ensure the work stays focused on strategic needs
- build a working relationship with the customer
- influence other stakeholders
- appoint the Chief Operating Officer

2) Programme Steering Group (PSG)

Membership should be drawn from the senior management of the sponsoring organisations, nominated by the Programme Board plus the programme leader –and therefore accountable to them for delivery. These senior managers each assume the role of sponsor for specific programmes and projects from the initial idea to completion. The sponsor is the primary driver of the activity because this person has ownership of the final benefits expected for the organisation. When the PSG approves a programme or project this person is clearly accountable to the senior management team to ensure that success is achieved.

The PSG must operate using the same methodology for programmes and projects as the team carrying out the work. This creates a common understanding of the processes involved and obliges everyone involved to work with the decision making and project management template. With an effective PSG a clear decision process exists on all aspects of programme and project work and everyone has a clear understanding to whom they are reporting. It also creates a clear sense of direction for all such activity in the organisation, which prioritises programmes and projects for the committed available resources.

The PSG must meet at regular intervals, probably every 2 weeks to review the status of all active programmes and projects, initiate new projects and decide prioritisation. The PSG will need to create and maintain a programme/project register that lists:-

- all ideas and opportunities currently under or awaiting investigation
- all active programmes and projects
- all recent programmes and projects that have been suspended, cancelled or completed.

The programme register is the key document for all PSG meetings as it lists all 'step change' activities that are active. It is important to define clearly what is and what is not a project. Failure to make this definition available could lead to the programme register becoming littered with too many activities that are no more than key stages of projects, or even just tasks.

Key Responsibilities of the Programme Steering Group

The Programme Steering Group brief will be as follows:-

Prepare project brief.

Prepare scope of work statement.

Complete comprehensive risk management strategy and risk assessment.

Agree project model e.g. PRINCE 2 and project control system.

Provide refresher or new training on project management.

Determine appropriate team building or other specialist training.

Plan the project and identify the key stages.

Agree a logic diagram.

Agree launch date for project.

Agree critical success factors.

Ensure effective communication especially with sponsoring organisations.

Agree meeting schedules.

Provide project status reports.

Agree how to manage project changes.

Agree project closure.

In order to complete these tasks the PSG will need to:-

- ensure that all opportunities for programmes and projects are reviewed using agreed tests and criteria to enable the 'GO/NO GO' decision.
- maintain a focus on customer and organisation needs.
- ensure that all programmes and projects approved are strictly focused on organisation needs and aligned to strategic objectives including Herefordshire Partnership objectives.
- ensure that environmental influences (internal and external) are taken into account.
- ensure that adequate resources are available for all approved active programmes and projects.
- ensure that adequate funding is available to support the list of active programmes and projects.
- provide strategic direction and active support to programme and project managers.
- assign a priority ranking to all active programmes and projects.
- make decisions concerning resource conflicts.
- monitor process procedures to ensure these are followed and maintained.
- ensure that risk assessment is regularly reviewed and risks are managed.

- ensure that all escalated issues are promptly resolved, with assigned action plans.
- make 'GO/NO GO' decisions at the programme and project process phase gates.
- selecting the project managers.
- approving the programme or project definition prior to PSG approval.
- sustaining the programme or project direction.
- ensuring that priorities are maintained for all their own organisations programmes or projects.
- having oversight of the process and procedures, to ensure they are followed and maintained also oversight of budget and controls.

The Executive PSG is the ultimate decision forum for all major problems, issues and cross functional decisions to remove obstacles to success. However, the PSG may on occasions need to refer a key policy decision to the Programme Board for a final decision.

The PSG does need to have a permanent PSG Administrator who co-ordinates the meetings and collects together the essential papers for the meeting. A PSG member should not fill this role. The Administrator would have many responsibilities including the following:-

- providing administrative support to the PSG.
- tracking compliance with projects process methodology.
- providing support and facilitation where appropriate.
- encouraging the spread of best practice.
- maintaining the programme register.
- encouraging effective communication.
- ensuring that all opportunities initiated adhere to agreed process.
- ensuring that PSG meetings are regular and effective.
- ensuring that PSG decisions are communicated.
- contribution to the drive for excellence.

3) The Programme Leader/Chief Operating Officer (when appointed)

Accountability to the sponsoring organisations for the work from the initial start date through to closure. The responsibility includes the following:-

- selecting the core team with the sponsors.
- maintain a close working relationship with the sponsors.
- work with Steering Team Members to select the project managers for the projects in the programme.
- identify and manage the stakeholders.
- defining the programme and receiving stakeholder approval.
- planning the programme and receiving stakeholder approval.
- identifying and managing the risks.
- need to understand the cultural differences between the two organisations and manage effectively the cultural change.
- securing and allocating resource commitments.
- monitoring and tracking the progress of the programme and projects in the programme

- supporting and guiding programme steering team and project managers of projects in the programme.
- resolve conflict and grievances promptly.
- approving the definition and planning of projects in the programme.
- solving the problems that interfere with progress.
- controlling costs.
- leading the programme team, team building.
- informing stakeholders of progress.
- delivering the programme deliverables and benefits on time.
- managing the performance of everyone involved.
- attend meetings of Programme Board, PCT Board, Council Meetings and The Alliance Board to provide regular updates.
- liaise closely with other key stakeholders e.g., Department of Health, Strategic Health Authority, Government Office West Midlands.
- try to secure additional funds to support innovative approach to partnership working.
- maintain contact with the press.
- maintain contact with community groups.
- help with the appointment of Chief Operating Officer for the new Public Service Trust. A list of key responsibilities for use in advertising the post is included in section 9 of this report.

4) The Project Managers

The project managers will be accountable not only to their own organisation (for stand alone projects) but also to the programme leader (for a project in the programme) for the project work from start to finish.

5) Functional Managers

The functional managers are key stakeholders and must have a clear understanding of the project's content, priority and strategic importance. Their responsibilities includes:-

- providing appropriate resources for projects.
- monitoring resource needs for all active projects.
- agreeing resource assignments.
- maintaining resource commitments.
- responding to technical problems.
- giving support and guidance to: planning, estimating and project control.
- planning resource utilisation.
- maintaining awareness of the status of supported projects.
- supervising the performance of resources.
- demonstrating concerns for the on-time completion of projects.

5. KEY ISSUES – CHALLENGES AND URGENT DECISIONS

GOVERNANCE

Urgent

- 1) Herefordshire Council and Herefordshire PCT to approve the initial proposal to establish a Public Service Trust in Herefordshire target date April 2007 subject to final approval of the Partnership Agreement – need to agree date and processes.
See Section 6 for proposed structure of initial proposal and Section 7 for details of the Partnership Agreement.
- 2) Agree Board and Committee Structure Proposals – Development Stage – See section 4
- 3) Agree membership of the shadow Public Service Trust Board – I suggest the following:-

Roger Phillips, Don Rule and Neil Pringle + one other - Herefordshire Council
Joanna Newton, Simon Hairsnape + two non-executive directors - Herefordshire PCT
Project Leader/Chief Operating Officer also to attend.
An early meeting should be arranged to discuss and agree a structure for the new organisation. This would provide an early opportunity to consider a range of options including radical solutions. Once agreed the new structure would need to be sold to both senior management teams before implementation.
- 4) Agree nominations from Herefordshire Council and PCT to the Programme Steering Group
- **I suggest 3 or 4 from each organisation.**
Involvement of the service users at the planning stage of the commissioning process are critical to its ultimate success and more work needs to be done on how to achieve this in the most inclusive way. This will need to recognise the bodies which the PCT is statutorily to involve i.e. the Patient and Public Involvement Forum (soon to be Links) and the Health Overview and Scrutiny Committee. The latest report from the Department of Health “No excuses. Embrace partnership now. Step towards change!” published on 11th July 2006 strongly supports involvement of the third sector in the planning process. The level of involvement should be agreed by the Public Service Trust Board.
- 5) Prepare Herefordshire PCT Board Members for the Board to Board meeting with the Strategic Health Authority in August 2006.
Establishment of a Public Service Trust in Herefordshire is being added to the proposed agenda.
- 6) Confirm with the new Strategic Health Authority that the setting up of a Public Service Trust is still a high priority.
Begin early negotiations between PCT, Council, Strategic Health Authority and Government Office for a single local programme agreement, performance assessment regime. To check what flexibilities could be made available. Also request funding to support development phase, as costs will increase in the short term.

- 7) The original proposal for a Public Service Trust indicated that all the funding blocks for Children and Young People and Healthier Communities and Older People would be allocated to the Public Service Trust. Budget issues include the following:-
- Details of budget allocation needs to be confirmed.
 - Are there any further budgets being made available e.g. Housing, Leisure, Transport and if so, how will the amount be determined?
 - Is all the PCT budget being allocated to the Public Service Trust?
- The opportunity to include all of the Children and Young People arrangements should be taken.
- 8) With regard to Commissioning and Provision of Services agree the following:-
- PST should be a Strategic Commissioning Body and only be involved in provision where it is legally necessary or there is no alternative.
 - Current provision within the PCT and Council could be transferred to new Social Enterprises or other providers as soon as possible. Where there are legal constraints these should be challenged with Government Office to see if a suitable alternative can be made.
- 9) There is some confusion on the establishment of a separate Children's Trust. The vast majority of people believe that the responsibility for the Children's Trust should be incorporated into the Public Service Trust to ensure better integration of services for the family and reduction in duplication. The Children and Young People's Partnership Board could continue as a committee of the Public Service Trust to address the Children's Trust issues.
- Legal advice and views from Government Office are recommended.
- 10) The review of mental health has been delayed. However, Herefordshire Council has expressed a preference for a county wide solution through a Herefordshire Mental Health Foundation Trust. The outcome could be a Herefordshire & Worcestershire solution or other model. An early decision on the implications and way forward will be needed as part of the Public Service Trust planning.
- 11) There are significant budgetary issues regarding the needs of those with learning disabilities. The Learning and Skills Council will need to become more involved in helping to find solutions. A working party needs to be established immediately to prepare an action plan for the way ahead within the context of a Public Service Trust – with a particular focus on the commissioning role. The LSC will need to consider if funds can be provided to the Public Service Trust.
- Integration of commissioning into the Public Service Trust will also have major benefits for the Public Health Agenda. Although there is an urgency to recruit the joint funded Director of Public Health, progress in this area should not be delayed because of recruitment difficulties.
- 12) Need for an audit of all committee activities as soon as possible so that they can be rationalised as part of the Public Service Trust agenda. For example the Public Health Department has input to over 50 groups and committees.

- 13) It would appear sensible to identify all current providers/contract holders relevant to the Public Service Trust. This could result in reducing the number of contracts, identify scope for new providers, establishing a provider network which could play a more useful role in the future.
- 14) Review all current plans and ensure consistency against the PST agenda e.g Council, PCT, LSP, LAA, C+YP Plan Performance Management to help with baselining.
- 15) Other issues and challenges for consideration:-
- role of Scrutiny Committee.
 - elected member exposure to the electorate.
 - merge Section 31 agreements on formation of Public Service Trust.
 - strengthen Section 31 arbitration/dispute resolution procedures in preparation for Public Service Trust.
 - begin to prepare list of benefits and targets for the Programme Steering Group up to 31/3/2007.
 - prepare timetable for key decision making, to meet Council and PCT Board agenda.
 - need to consider role of PEC in the PST
 - plan for termination of Healthcare Partnership.
 - consider implications of rural proofing.
 - consider strategies for dealing with migrant and seasonal workers and asylum seekers.
 - agree delegation of authority, accountability and responsibility.
 - begin to look at possible shared services in the following areas:-
 ICT, Finance, HR, Training, Facilities Management
 Public Relations, Legal, Transport, Audit
 Consultation with public, Information Services
 e.g. Financial Integration - Payroll and collecting income
 Property - Professional services & facilities management
 HR and Training - Transactional role
 IT - Integration
 - complete an audit of available accommodation for possible co-location
 - recruit for Public Service Trust Board and provide relevant training
 - identify and review best benchmark practice e.g. Somerset, Torbay, Knowsley
 - implications of Foundation Trust status for Herefordshire Acute Trust and Gloucestershire Acute Trust and development of Mental Health Trust.

RESEARCH AND NEEDS ASSESSMENT

Urgent

- Work jointly on information sharing and needs assessment
- Need to baseline current performance against agenda
- Map and influence totality of public expenditure
- Look at neighbourhood statistics, area profiles and quality of life indicators
- Analyse need and totality of resources
- Forecasting for next 5 – 10 years
- Evaluation of priorities

- Health input analysis
- Details of providers
- Budgets
- Details of stakeholders
- Mapping needs
- Health & Social Care Inequality Audit
- Review surveys
 - Look how these could be integrated e.g. common consultation
- Health Equality Audit
- Make use of Geographical Information Systems
- Provision of public health intelligence does not consistently drive commissioning agenda. Need for evidence base to inform service redesign and care pathways in order to achieve savings and provider choice in community based services
- Work towards one up front assessment for all services, this to include clinical advice where appropriate.

HUMAN RESOURCES

Urgent

- Develop structural plan, including regular briefings and inclusion in working groups
- Early communications with all staff regarding the Public Service Trust will be necessary to avoid rumour and speculation.
- Clarification on structure and implications vital as soon as possible
- Explanation about secondment process, impact on pay and pensions
- Need for joint workforce planning i.e. Council & PCT
- Joint appointment of the Director of Public Health and announcements of joint support for Director of Adult Social Services.
- Appointment of Project Leader – secondment or interim management leading up to March 2007
- Appointment of Chief Operating Officer and agreement on who will be the employing body
- Handle staffing, location, set-up issues
- Agree how vacant posts will be filled from now to start.
- Agree secondment of someone from The Alliance into the Public Service Trust

- Key areas of training and development

Change Management
 Project Management
 Contract Management
 Team Building

Risk Management
 Performance Management
 Partnership Working
 Common Purpose Programme

I suggest we use the Strategic Partnership Assessment Tool to start the effective partnership working process.

ORGANISATION DEVELOPMENT

- Deal with the cultural differences – this is critical to the project
Develop a structural development programme to promote integrated working and address highlighted issues:-
 - Target driven implications
 - Performance Management emphasis
 - Consultation with customers comparisons
 - Patient feedback/customer feedback
 - Lack of trust re motivation for change
 - Protection of professional reputation
- The Programme Steering Group and Programme Leader will need to set the standards, values and ethos for the PST and provide milestones to ensure progress in this critical area.

CONSULTATION

Urgent

- Early involvement of GPs to secure buy in to proposals
- Plan for public consultation – 3 months
- Involve community groups and patients consultation
- Identify and engage stakeholders – both organisations to prepare list
- Prepare strategies for dealing with the press
- Build on the Community Involvement Strategy – August 2006
 - Need to involve as many people as possible
 - Improve knowledge of needs – now and future
 - Make people aware of the idea of choice

BUDGETS AND FINANCE

Urgent

- Review budgets which will be put into Public Service Trust
- Reporting and accountability issues regarding integrated budgets – what flexibilities?
- Establish Finance and Budgeting systems
- Audit of current management/staff costs and head count
- Cost analysis for various services
- Different accounting arrangements needs to be changed
- Alignment of budget cycle
- Alignment of payment by results
- Implications of Comprehensive Spending Review on local budgets
- Implications of cuts in management costs e.g. PCT – 15% cuts
- 2006/2007 resources OK but 2007/2008 possible problems what are the likely issues?

- Difficult to obtain complete accuracy concerning separation of costs. How will these tensions be resolved?
- Performance management improvements on Section 31 agreement to ensure no overpayment
- Implications for audit
- How can added value be measured?
- Charging policy – need to consider the implications
- Need to determine one – off costs and the ongoing savings/benefits

SYSTEMS

Urgent

- Audit information availability and systems – plan integrated approval
- Integrate Performance Management Systems and Indicators
- Synchronise performance assessment systems
- Align planning and budget systems for 2007/2008
- Develop Project Management Tools e.g. PRINCE 2
 - Appoint someone to the Programme Steering Group with project management skills.
- Review Data Protection Issues
- What ICT systems underpin? What scope for integration? What are the costs of change? Impact on integrated notes system?
- Customer Service – One contact point
 - Face to Face, Phone and IT
 - One information point for both organisations.
- Consider implications of developing new providers e.g. integrated notes, data protection
- Linkages to the Herefordshire Connects Programme

FEATURES AND IDEAS FOR NEW STRUCTURE

This list includes a range of issues from high level strategic to operational issues. Although the PST will be a strategic commissioning and planning organisation it will need to ensure that some of the operational issues are addressed as part of the commissioning response

General

- Separation of commissioning and service provision for both organisations.
- Review of future shape of service provision and potential providers
- Establishment of a joint network of providers – provider forum
- Social Enterprise Fund to provide support for third sector suppliers wanting to enter market
- Need for new care pathways that provide alternatives to hospital care
- Better management of community hospital beds
- Better management of patient satisfaction
- More robust monitoring of Practice Based Commissioning

- Need for strategic marketing (identifying, developing and selling new activities to the public)
- Need for 24 x 7 access to Community Equipment Scheme
- Potential to reduce the number of contracts
- Improve performance and better outcomes
- Single assessment for all services leading to personalised plan and possible individual budget. Make full use of clinical support where appropriate.
- Single information system
- Single complaints system
- Links to Herefordshire Council Leisure Department, Housing, Transport and Environmental Services as they relate to the wellbeing and health agenda and the LAA

- Commissioning body could be responsible for:-
 - o Commissioning, Planning, Public Health, Needs Assessment, Health Protection/Promotion, Public Service User Development and Information, Performance Management, Quality Standards, Value for Money and Contract Management.
- Integrated team working on public engagement and information.

More opportunity for public to talk to and have a voice with joined-up services. Develop links between public services information, public health requirements and community development work.

POSSIBLE MODEL

We could continue with the current model of a range of providers across the county and outside the county. We could add to the number and range of providers e.g. new social enterprises, we could target quality improvements and performance management issues or we could go for a more radical approach. The more radical the approach, the greater the opportunity for efficiency savings and customer service improvements.

In recent months there have been strong messages from Government regarding the need for more local involvement and local solutions.

“There needs to be a shift of balance of power towards communities, neighbourhood arrangements, governance, individual voice and choice and partnership with the voluntary sector. Development of neighbourhood Charters and agreements. Personalised support plans/individual budgets.”

(Better Governance for Better Well Being)

“There is a shift of policy towards ‘sub-localities’ or neighbourhoods.”

(National Evaluation of LSPs)

“There is a need to improve accountability to local people.”

“There is a need for public involvement in health scrutiny.”

“Patient choice should be improved using redesigned community services.”

“Greater citizen engagement with the structures of local governance is essential, not simply desirable.”

Both the PCT and the Council currently operate a form of hub and spoke arrangement for their services but they are not coterminous for all activities. I believe there could be real value in having clearly defined Health and Social Care Zones. The model would need to be owned by any new provider organisation (Social Enterprise) and be GP Commissioners. There also needs to be consideration of integrated working models for the C + YP Services and links to Children’s Centres.

This issue could be left until later rather than assume it be part of the PST structure, which could be misleading in light of the commissioning/provision split.

The Local Health and Social Care Zones could help to identify local needs, determine local priorities, determine “cut off” to meet the budget. They could focus on local public health issues, and link to local schools. They could help develop personalised support plans and individual budgets. There could be local drop in centres for drugs and sexual health problems etc. Children development centres and health centres could also be established.

Each spoke could have its own Community Equipment Scheme operating 24 x 7.

Members of the local public could become more engaged in the governance and development of choices and locality budgets could be made available.

FINAL CONCLUSION

In the very short term the original proposal for the establishment of a Public Service Trust based around closer integration between the PCT and some Directorates of the Local Authority would provide a very useful foundation for the future.

However, there are good reasons for considering a more ambitious and more radical integration strategy for the following reasons:-

- Strong messages from Government on the integration agenda.
- Pressure on both Herefordshire Council and Herefordshire PCT regarding their long-term viability and autonomy because of their relatively small budgets compared with other areas.
- Critical mass of PCT and LA working together makes it much easier to widen the scope to other areas.
- Pressure on budgets for both LA and PCT make it essential to look at potential savings especially management/admin costs.
- Public and neighbourhoods will expect more joined up working at a local level – an integrated package from the various public sector bodies, quangos and third sector.
- Increased size should bring economies of scale.
- There are potentially large savings on communications, needs analysis. IT, recruitment and selection, workforce development etc.
- Streamlined decision making should result in better decision making.
- Better expertise in commissioning and procurement will provide better value for money across the partnerships.
- Greater clarity on the split between commissioning and direct service provision

- Improved access to services through a single point of entry.
- Opportunity for all the LA services to work in harmony with the health and well-being agenda, with a real opportunity to address public health issues and therefore, prevention of future health problems.
- Opportunity to consider if other public sector bodies/quangos are willing to integrate any of their programmes or services into the new PST.

Therefore, I support the proposal to go for full integration between the Local Authority and PCT and my proposed management structure is based on this proposition (See Governance and Leadership Framework report)

6. PREPARING THE INITIAL PROPOSAL

In order to prepare the initial proposal, the Programme Leader will need the support of a small team in order to collect the appropriate data. Any data collected at this stage is tentative because of the lack of detail. The aim is to put together only enough information to persuade key stakeholders and potential funders that the proposed new Public Service Trust is achievable and that it offers many benefits.

My suggested list of headings for the report is as follows:-

1. Opportunity statement – concise description of opportunity
2. Solution statement – concise statement of proposed solutions and list of deliverables e.g. governance arrangements and proposed structures
3. Explain how it aligns to current strategies
4. Details of organisational benefits – information statement, expected gain in working practices etc
5. Business benefits
6. Market analysis information – current and potential impact on current structure and organisation
7. Benchmark position
8. Financial summary – potential financial savings + budget requirements for the project
9. Technology – implications on IT systems
10. Resource requirements – numbers, preliminary assessment of people and skills, competency framework, recruitment of Chief Operating Officer
11. Expected constraints
12. Potential risks
13. Key milestones and dates
14. Legal – any legal implications
15. Key communication channels
16. Details of any outstanding issues

The whole proposal will need to be concise and focussed on factual data where possible – probably limited to 20 pages plus Annexes.

This needs to be completed by end of November 2006.

I believe it will take 25 days as Project Leader to deliver part 2 of the development and provide an initial worked-through proposal by the end of November 2006.

If the Initial Proposal is approved by both the Herefordshire Council and Herefordshire PCT, the information in the proposal will need to be included in the appropriate sections of the Partnership Agreement – See Section 7.

7. Partnership Agreement

Before the establishment of a Public Service Trust there is a need for a formal Partnership Agreement to be agreed and signed by both Herefordshire Council and Herefordshire PCT. This should be agreed and signed before the end of February 2007.

It is suggested that the following points be included in a partnership agreement:-

1. Purpose of the partnership

- Include background data on health and social care statistics
- Alignment to current strategies and policies

2. Aims and objectives of the partnership

- Details of organisational and business benefits

3. Partnership Governance

- Role of Council and Role of PCT Board
- Partnership Board Composition and Terms of Reference
- Partnership Management Board Composition and Terms of Reference
- Professional Executive Committee Composition and Terms of Reference
- Integrated Executive Team Composition and Terms of Reference
- Agree joint vision statement
- Accountability structure
- Delegated functions
- Wholly retained functions
- Hosting arrangements
- Reporting arrangements
- Relationship with Leisure, Housing, Environmental and Transport Services
- Agree definition of key decisions – How will they be decided?
- Implications for Children and Young People's Partnership Board

4. Financial Arrangements

- Governance
- Local Agreements
- Pooled funds
- Any special accountability arrangements
- Contribution calculations e.g. baseline funding
- Grants made available to either party as appropriate
- Agreeing Budget timetable – First year end of October 2006
- Underspend/Overspend e.g. who meets the cost
- Set up costs
- Funding for Integration Project Budget
- Agree Financial year for both organisations
- Agree Audit arrangements
- Agree VAT arrangements

5. Organisation and Structure

- Agree level of integration
- Agree key director roles
- Agree functions and services to be included/excluded
- Consider Health and Social Care Zones (local communities) i.e. how many (based on GP practices)

Agree services to be included/delivered in each zone e.g. Community Hospitals, Community Centres, Integrated Health and Social Care Teams, District Nurses, Social Workers, Community Care Workers, Occupational Therapist, Physiotherapist, Podiatrists, Care Co-ordinators, Housing and determine third sector involvement.

Some services to be provided on a Trust wide bases

Consider appointment of Community Partnership Managers.

6. Business Planning and Performance Management

- Links to all the local strategic plans
- Produce Annual Strategic Agreement – to include the following:-
 - Describe any agreed strategic changes in relation to provision of services
 - Set out agreed objective and targets
 - Indicate how partners anticipate that services will be affected by any growth or reduction in funding or other resources
 - Set out the changes that need to be made
 - Set out information requirements
 - Set out the partners financial contributions
 - Agree how changes can be made during the year
- Agree accounts and reporting procedures
- Agree links with Scrutiny Committee
- Policy on VAT
- Agree performance management framework

7. Information Technology and Management Information Systems

- Audit and agree systems
- Common information point
- Information sharing protocol – comply with legislation
- Freedom of information and confidentiality
- Health and Social Care records to one location
- Complete thorough needs assessments

8. Estates and Facilities Management

- Central Register – Capital Asset Management
- Agreement on Capital Expenditure and ownership
- Premises not transferred but on a lease

9. Care Governance, Quality and Professional Leadership

- Clinical Governance and Policies and Procedures
- Value for money analysis
- Agree code of conduct
- Agree values and behaviour

- Agree measurement of partnership performance
- Dealing with complaints – Integrated complaints protocols
- Ombudsman
- Standards of Conduct and corporate governance
- Professional accountability
- Develop Protocols

10. Human Resources

- Joint posts – arrangements and protocols e.g. Director of Adult Social Services and Director of Public Health.
- Determining the employing organisation
- Recruitment
- Funding arrangements for staff
- Management arrangements
- Harmonisation of HR policies and procedures
- Terms and Conditions – TUPE – Harmonisation
- Indemnities relating to transferring staff
- Staffing costs and redundancy payments
- Performance management of staff
- Pension Issues
- Produce Key Issues paper
- Staff development
- Competency framework
- Job evaluation

11. Communications, Marketing and Consultation

- Corporate identity and public relations
- Prepare detailed paper for consultation exercise
- Public and patient involvement i.e. empower service users, carers and public to give their views.
- Need for a strategy on how to engage the public

12. Commissioning (definitions)

- Strategic commissioning
- Market Management
- Procurement
- Purchasing
- Brokerage
- Contracting and novation of contracts

Getting people to understand the differences and to improve skills in these areas

13. Risk Assessment

- Legal
- Financial
- Performance
- Relationships
- Changes in Legislation
- Indemnity and Insurance
- Expected constraints

14. Termination of Agreement

- Agree termination reconciliation and process
- Agree disputes procedures
- Orderly wind down if agreement terminated

15. Key Milestones and Dates

16. Miscellaneous

- Legal advice
- Equality, Diversity and Equal Ops issues
- Rural proofing
- Access, Assessment (single assessment) and eligibility criteria
- Charging policy

8. PUBLIC SERVICE TRUST PROGRAMME LEADER/ CHIEF OPERATING OFFICER KEY RESPONSIBILITIES

- As part of the Herefordshire Council and Herefordshire PCT business strategy process, identify and develop integrated services strategies for optimising the cost efficiency of transactional operations and services throughout Herefordshire.
- Develop and implement a new organisation, structure and governance arrangements appropriate to the development and delivery of a range of highly cost efficient multi-functional services.
- Lead and direct the development of top 10% value for money transactional advisory and value added shared services.
- Lead the definition and specification of services and associated service levels in conjunction with a diverse range of shared service customers.
- Build and sustain effective relationships with Strategic Health Authority, Government Office West Midlands, Advantage West Midlands, Herefordshire Council, Herefordshire PCT, Third Sector, DCLG Office, Department of Health, Other Government Departments and other key partners.
- Ensure the Public Service Trust is accountable for its performance and fulfils other regulatory and reporting requirements placed upon it.
- Initiate and lead changes to reduce costs and inefficiencies across end to end processes, working with customers and including commissioning of technology projects within the scope of shared services ownership.
- Ensure staff are motivated, developed and appraised so that individual and collective performance meets the needs of the customers.
- Ensure good management of change skills.
- Develop sound and effective risk management strategy.
- Develop links with other Public and Private Sector Shared Services providers to ensure adequate benchmarking and spread of best practice experience.

This is an opportunity for a proven leader either from the public or private sector with a passion for driving change. The Chief Operating Officer will have responsibility for developing an integrated service organisation that delivers high-quality, cost-efficient transactional services to agreed service standards, initially focusing on finance, procurement and HR issues. The position will also be responsible for leading the integration of different groups, both in terms of function and location to create a single high performing cohesive organisation for Herefordshire.