

PUBLIC SERVICE TRUST - HEREFORDSHIRE

PORTFOLIO RESPONSIBILITIES: CORPORATE STRATEGY AND FINANCE; AND SOCIAL CARE (ADULTS) AND HEALTH

CABINET

26TH OCTOBER, 2006

Wards Affected

County-wide

Purpose

To consider 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".

Key Decision

This is a Key Decision because it is likely to be significant in terms of its effect on communities living or working in Herefordshire in an area comprising one or more wards. In total the proposal would involve the re-alignment through the Public Service Trust of expenditure in excess of the threshold of £500,000 although the report itself contains no proposals for the committing of further expenditure in excess of those totals.

It was included in the Forward Plan.

Financial Implications

The broad financial implications are set out at Paragraph 3 on page 2 of the attached report but one of the workstreams identified would be a much more detailed financial modelling of the proposal before a final decision was taken to proceed. There is a proposal to seek further funding for the period of transition.

Recommendations

THAT

- (a) the further proposals for the establishment of a local authority and primary care trust Public Service Trust be approved as a basis for continuing negotiation and further report to the Council and the Primary Care Trust;**
- (b) the continuing work be agreed with reference to the following principles:**
 - the development of the emerging picture in relation to the integration of services;**

Further information on the subject of this report is available from
N.M. Pringle, Chief Executive on (01432) 260044

- **the development of a governance and leadership framework;**
 - **the establishment of a joint Management Team for Children's Services;**
 - **the creation of the post of joint Director of Public Health;**
 - **the establishment of a joint Management Team for Adult Services and the adoption of a governance and leadership framework for this stage as set out in Appendix 3 of the report;**
 - **the development of a financial model for the PST which would take account of the financial issues described in paragraph 3 of the report; and**
 - **addressing the further implications for integration identified in summary in paragraph 15 of the report and developing the necessary workstreams in support of those processes; and**
- (c) **the Council and PCT jointly seek additional one-off funding to assist with the delivery of the initial phase of the proposal.**

Considerations

1. This is a complex issue involving major changes for both the Council and the PCT if it is to be effectively managed in the interests of the communities in Herefordshire. The Council, with the PCT, recognised the limited capacity they had available to build up a detailed model and commissioned Mr. Alan Curless of Alan Curless and Associates Limited to produce initially a Scoping Report and, on the basis of that Scoping Report, to produce within the guidelines set by the Council and PCT a detailed report for consideration by both organisations.
2. Unusually, therefore, attached to this report as Appendix 1 is the complete report produced jointly for the PCT and Council.
3. It is acknowledged that there is very significant further work to be undertaken by both the Council and the PCT in support of the initial work that has been undertaken. That work will have to be the subject of subsequent reports to both the Council and the PCT.
4. There is an aggressive timetable for delivery. The initial phase of the work needs to be available to deliver by 1st April, 2007 and the second phase, by 1st April, 2008. It will be particularly important to look at the respective financial implications of those two phases. Whilst the phasing is recommended, it is likely on initial outline costing that the first phase will not achieve cost savings and, indeed, on initial financial modelling will add cost which will have to be financed on a short-term basis.
5. It is emphasised that what is sought in terms of the key decision set out in this report is agreement to the broad principle of operating across the two phases described and very significant further work will be required to the detailed parts of the report. Where detail has been provided, it is intended as a basis for future discussion rather than for final decision.

Risk Management

The risk remains as set out in the report to Cabinet on 23rd February, 2006, namely that the formation of the Public Service Trust represented the best safeguard currently against the risk of loss of local Herefordshire decision making and accountability on health matters.

It is also important to recognise the need for appropriate joint project planning and management to ensure that the initial proposals for formation of the PST and the subsequent more ambitious proposals set out in the report are carried out in a way that minimised the risk to the stability of health and local authority functions across the County.

Alternative Options

In practical terms the alternative options were discounted when the Cabinet and subsequently Council adopted the response to the Strategic Health Authority set out in the Cabinet report of 23rd February, 2006.

The alternative would have been to have supported the formation of a larger PCT although even such an arrangement would have placed considerable pressure on the Council to work more closely with the PCT, particularly in relation to its commissioning role and across what would have been a much wider geographical area. It would also have involved some reconciliation of the priorities of the respective local strategic partnerships.

Consultees

There will be a need for consultation on the proposals which the Council and PCT now jointly make. It is important that that consultation is undertaken within the framework of the partnership which the Council and the PCT are intending to establish.

Appendices

There is a single appendix which is the report prepared by Alan Curless and Associates Limited covering the Governance and Leadership framework of the Public Service Trust in Herefordshire.

Background Papers

None identified.