

Committee: HEALTH AND HOUSING COMMITTEE

Agenda Item

Date: September 8 2005

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Title: **PRIMARY CARE TRUST RE-ORGANISATION –
INFORMAL CONSULTATION**

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Item for decision

Summary

This report advises Members that the Department of Health is requiring the Strategic Health Authority (SHA) to review the pattern of Primary Care Trusts (PCT), the Ambulance Trust and the SHA itself. The SHA is starting the process with an informal consultation that sets out some proposals and options and is seeking initial reactions and views.

Recommendations

Members provide a view as to their preferred option(s).

Background Papers

Letter from Chief Executive of the Essex Strategic Health Authority together with a letter and paper from the Chief Executive of the NHS on 'Commissioning a Patient-led NHS which are both included as an appendix to this report.

Impact

Communication/Consultation	This will be the responsibility of the Strategic Health Authority and the Primary Care Trust.
Community Safety	None
Equalities	There is an expectation that all groups will have to be consulted
Finance	None
Human Rights	None
Legal implications	None
Ward-specific impacts	All
Workforce/Workplace	None

The Issues

- 3 The Department of Health (DoH) have issued a document, which is designed to help SHAs to:
 - create a step change in the way services are commissioned to reflect patient choices;
 - achieve an accelerated timeframe for the practice-based commissioning;
 - deliver the streamlining of PCTs and SHAs;
 - release £250min overhead costs promised in the Election Manifesto.
- 4 The Essex share of the £250m savings is expected to be approximately £7.5m. The DoH expects overhead costs to come out of the management and administration costs of PCTs, Ambulance Trusts and SHAs, which will require mergers of these organisations to release the necessary savings.
- 5 PCT mergers are to be completed by April 2006 and SHA changes by April 2007. PCTs are expected to become purely commissioning organisations by December 2008. As the proposals do not involve changes in services; there is no need to make any legislative changes which, in turn, means that the usual formal consultation period of 12 weeks can be reduced to 8 weeks.
- 6 Any PCT merger will be assessed by the DoH and the PCTs will need to demonstrate their ability to deliver against the following criteria:
 - Secure high quality services and improve health
 - 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

The Options

- 7 The status quo is not an option as it would not provide the pre-requisite financial savings, nor is the concept of “cross county boundary” working considered to be appropriate. There are three potential options that the SHA have outlined and think should be considered.
 - (a) Option One – one PCT covering the whole of Essex County Council, Southend and Thurrock
 - (b) Option Two – two PCTs, one covering North Essex and one covering South Essex
 - (c) Option Three – five PCTs each covering the catchment area of one of Essex District General Hospitals – Uttlesford would be merged with Epping Forest and Harlow.
- 8 Officers consider that neither Option One nor Option Two would be capable of sufficient local responsiveness to be considered acceptable. With regard to Option Three, the argument against this proposal is that five health economies are not an appropriate basis for re-organisation. In addition, it does not reflect the reality of the behaviour of patients living in the County, let alone the district.
- 9 Bearing in mind the excellent working relationship that the Council has with the PCT, and considering the concerns that have been highlighted in relation to running costs and capacity, a fourth option could be considered or proposed. That of a horizontal merger of the Council and the PCT. Uttlesford could volunteer to look at piloting such an arrangement.