Agenda Item 8

Report to:	**East Sussex Health Overview and Scrutiny Committee (HOSC)**
Date:	**10th March 2011**
By:	**Director of Governance and Community Services**
Title of report:	**NHS reform – Implementation in East Sussex**
Purpose of report:	**To consider local progress with the implementation of the Government's reforms for the NHS, including the implications of the Public Health White Paper.**

RECOMMENDATIONS

HOSC is recommended:

1. **To consider and comment on local transitional arrangements.**
2. **To identify any specific areas where the Committee wishes to undertake further work.**

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1. Background

1.1 In July 2010 the Government published *'Liberating the NHS'*, a White Paper setting out proposals for major reforms to the NHS in England. A number of supplementary consultation papers were published over summer/autumn 2010 covering specific aspects of the proposals. The Government's response to these consultations, *'Liberating the NHS: Legislative Framework and Next Steps'* was published in December 2010. This was followed by the publication of the Health and Social Care Bill in January 2011. This Bill is currently going through the parliamentary process.

1.2 In November 2010, the Government published *'Healthy Lives, Healthy People'*, a White Paper setting out the strategy for public health in England. Again, a number of supplementary consultations are underway on specific aspects of the proposals.

2. NHS reform

2.1 The proposals contained within the two White Papers and the Health Bill are extensive. However, some of the major changes are summarised below:

2.2 Commissioning reform:

- Transfer of most commissioning to consortia of local GPs and creation of a National Commissioning Board to oversee this and undertake commissioning at national level.
- Abolition of Strategic Health Authorities by 2012 and Primary Care Trusts by 2013.
- Development of an outcomes framework for the NHS.

2.3 Provider reform:

- All NHS Trusts to become autonomous Foundation Trusts by 2014.
- New role for Monitor as an economic regulator, overseeing a more diverse market in healthcare and promoting competition.
- 'Any willing provider' able to bid to run services (initially community health services)

2.4 Public Health reform:

- Transfer of public health responsibilities to upper tier local authorities.
- Creation of Public Health England to oversee public health nationally.
- Ringfenced public health budget and development of public health outcomes framework.

2.5 Accountability reform:

- Health and Wellbeing Board set up in every upper tier local authority to oversee joint commissioning, integration of health and social care, and public health.
- Extending health scrutiny powers to cover any commissioner or provider of NHS services.
- Local Involvement Networks replaced with Healthwatch; creation of Healthwatch England.
- More information available to patients and the public.

2.6 Alongside these reforms, the NHS is also implementing Quality, Innovation, Productivity and Prevention (QIPP) programmes. These aim to deliver £20bn savings by 2015 across the NHS for reinvestment through redesigning services and improving productivity. These programmes aim to enable the NHS to manage increasing demand with lower growth in funding, whilst maintaining quality. GPs are expected to begin taking a leading role in the delivery of these programmes as consortia become established.

3. Transition in East Sussex

3.1 Although the Health and Social Care Bill, which contains the provisions to put the Government's proposals into effect, is still making its way through parliament, transitional work is already underway across the country. A number of 'pathfinder' or early adopter programmes are underway for areas moving ahead with the development of GP consortia, Health and Wellbeing Boards or Public Health reforms.

3.2 The presentation attached at appendix 1 provides HOSC with an update on transitional arrangements and QIPP programmes in East Sussex. Appendix 2 provides an overview of the Public Health White Paper and its implications for East Sussex.

3.3 Dr Diana Grice, Director of Public Health and Ali Parsons, Strategy and Projects Manager, NHS East Sussex Downs and Weald/NHS Hastings and Rother will attend the HOSC meeting to present these updates. Barbara Deacon, Policy Officer, East Sussex County Council, will bring a local authority perspective and Darren Grayson, Chief Executive of East Sussex Hospitals NHS Trust will bring a provider perspective.

4. Issues for HOSC to consider

4.1 HOSC may wish to consider its role in scrutinising the transition to new arrangements and discuss which aspects of local implementation of the reforms the Committee would like to examine in more detail.

4.2 The Committee may also wish to consider issues raised by the reports, such as:

- How quickly local GP consortia will take on commissioning responsibilities.
- The extent of GP engagement in QIPP programmes.
- The implications of provider reforms on local healthcare providers such as hospital trusts, independent sector and voluntary sector providers.
- The establishment of a Health and Wellbeing Board for East Sussex.
- Patient and public involvement in the implementation of reforms locally.

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Background papers:
Liberating the NHS: Equity and Excellence, Dept. of Health, July 2010
Healthy Lives, Healthy People, Dept. of Health, November 2010

Liberating the NHS
Transforming East Sussex

Transition Progress Report
For East Sussex HOSC
March 2011

East Sussex PCTs' Transition Programme

The PCTs' Transition Programme is made up of 4 individual but inter related projects:

- Establishment of GP Commissioning Consortia
- Public Health and East Sussex County Council (ESCC) Local Authority Integration
- Care Group Integrated PCT/ESCC Commissioning
  - Supporting the development and establishment of the Health and Well Being Board
- PCT Business Continuity and Infrastructure support
  - Workforce (Human Resources, Organisational Development, Communications)

Cluster Development

- The 2011/12 Operating Framework outlined the process of consolidating management capacity, with single executive teams managing a cluster of PCTs until their abolition in 2013.
- A single Cluster (PCT) covering Sussex, bringing together East Sussex Downs and Weald and Hastings & Rother PCTs with West Sussex, and Brighton & Hove.
- Amanda Fadero has been appointed as Chief Executive Officer (CEO) Designate to lead the Sussex Cluster.
- Fully operational by June 2011
- The CEO will be accountable for quality, finance, performance, QIPP and the development of commissioning functions across the whole of the cluster area
- A single executive team for the cluster will be appointed to shortly. This is a matter for local determination, but will take account of;
  - the financial impact of the different models,
  - the need for effective and sustainable capacity to April 2013
- The structure created will ensure the maintenance of strong local communication, engagement and accountability framework.

Cluster Development

- The 2011/12 Operating Framework addressed a number of organisational governance issues.
  - PCT Chairs and other non-executive directors may now sit on more than one PCT board.

- Charles Everett has been appointed as Chair of NHS East Sussex Downs and Weald, Charles is currently Chair of NHS Hastings and Rother.

- The appointment covers the period from 1 February 2011 to 31 March 2013.

- Rita Lewis will resume her roles as Vice-Chair and Non-Executive Director of NHS East Sussex Downs and Weald, as well as fulfilling the same roles for NHS Hastings and Rother.

Cluster Development

- The new Sussex Cluster is required to ensure that all statutory duties are fulfilled.

- Boards will retain their full range of statutory accountabilities and will have a clear agreement, adopted by the Board, of which of these are being exercised through the cluster arrangements, and which are being retained at PCT level.

- The Sussex Cluster will actively support the development of GP commissioning consortia through:
  - Aligning relevant staff with emerging consortia to help them through transition
  - Delegating certain commissioning functions to consortia.
  - Emerging consortia can be appointed as sub-committees of the PCTs until their formal status is established through the Health and Social Care Act, and undertake functions on behalf of cluster PCTs

GP Commissioning Consortia (GPCC)

- There are three emerging GPCC within East Sussex
  - Hastings and Rother
  - Eastbourne, Hailsham and Seaford
  - High Weald, Lewes, and Haven

- Pathfinder status within the second cohort was successfully awarded to Hastings and Rother, and Eastbourne, Hailsham & Seaford

- There is a national rolling programme for the appointment to Pathfinder Status. It is anticipated that all GPCCs will be awarded pathfinder status in 11/12

- The speed of development of emerging Consortia within East Sussex is not identical across the county.

- Shadow Consortia can be formally established from April 2011

- GPCCs assume full commissioning responsibilities from April 2013

GP Commissioning Consortia

- Hastings and Rother will progress to shadow GPCC status as from 01.04.2011
- To date a working Group has developed a number of key Governance arrangements that are essential for the establishment of a shadow GPCC. These include;

  - **A draft Constitution**
  - **A Draft Board of Trustees arrangement**
  - **Election process**
  - **Roles and responsibilities of Board members**
  - **Clinical Governance frameworks**

- H&R GPCC will be appointed as a formal sub commitee of the PCTs during this transition phase

- The Sussex PCT Cluster will work with emerging GP commissioning consortia to assign staff to support the development of Consortia wherever possible, by the end of June 2011 at the latest.

Quality, Innovation, Productivity and Prevention (QIPP) Challenge

Sussex Wide

- Complex and differing geographies and demographics
- Level of challenge for the Public Sector generally with reduced management and increasing public expectations
- High degree of involvement of the public and partnership working across organisations will be required
- Little history of effective Sussex-wide collective working, although moving towards cluster arrangement for PCTs in the coming months will support new ways of working
- Ensuring local engagement at GP, County Council, voluntary sector and user levels whilst centralising some aspects of the structure
- Working within a complex and moving environment

QIPP Challenge

- QIPP financial target: £629 million from 2011/12 to 2014/15 (being a weighted capitation share of the National £20bn)
- Over the past 5 years financial performance across the county has been variable. All organisations however have recently delivered their control totals. This has been the result of a concerted effort both within organisations and joint working across the county. However, some organisations are now dealing with significant in year challenges and the challenge will continue
- Moving models of care and reducing the over-reliance on acute hospital care (enabling a reduction in acute sector capacity and the expansion of primary and community care provision)
- Focus change at the scale required to truly transform the way services are delivered supported by targeted use of non recurrent funds

QIPP Challenge

- **Across Sussex our aim remains to:**
  - Generate surpluses to allow for medium term investments and support strategic ambitions
  - Maximise health benefit for every pound we spend by commissioning for quality and greater integration
  - QIPP Challenge will be addressed at a number of levels, but will ensure that a focus on local delivery is retained
  - Ensure we all achieve a collective success for the Sussex cluster and providers in delivering sustainable financial balance over the lifetime of our revised strategic commissioning plans

Review of Healthy Lives, Healthy People: Our strategy for public health in England – white paper

Diana Grice
Director of Public Health & Medical Director

eastsussex.gov.uk

Key Points

- This is a new era for public health with a higher priority and dedicated resource.
- The White Paper outlines the Government's commitment to protecting the population from serious health threats, helping people live longer, healthier and more fulfilling lives and improving the health of the poorest, fastest.
- Local government and local communities will be at the heart of improving health and wellbeing for their populations and tackling health inequalities.

Public Health England's Role

Public Health England will be ….

- Part of the DH
- Public Health England will hold the estimated £4b budget and allocate to upper tiers (based on population and weighted factors e.g. health)
- They will pay out the health premium on delivery of outcomes – payment by results
- A professional and efficient service with a clear mission to achieve improvements in public health outcomes: and provide effective protection from Public Health threats.
- It will lead health protection and harness the efforts of the whole Government, the NHS and Big Society to improve the public's health.

Public Health England

- Public Health England – take on full responsibilities in 2012 (including the transfer of function and powers from health protection Agency and National Treatment Agency for substance misuse

- With councils appoint the Directors of Public Health – this may well have implications for performance management and review of service

Funding and accountability through PH systems

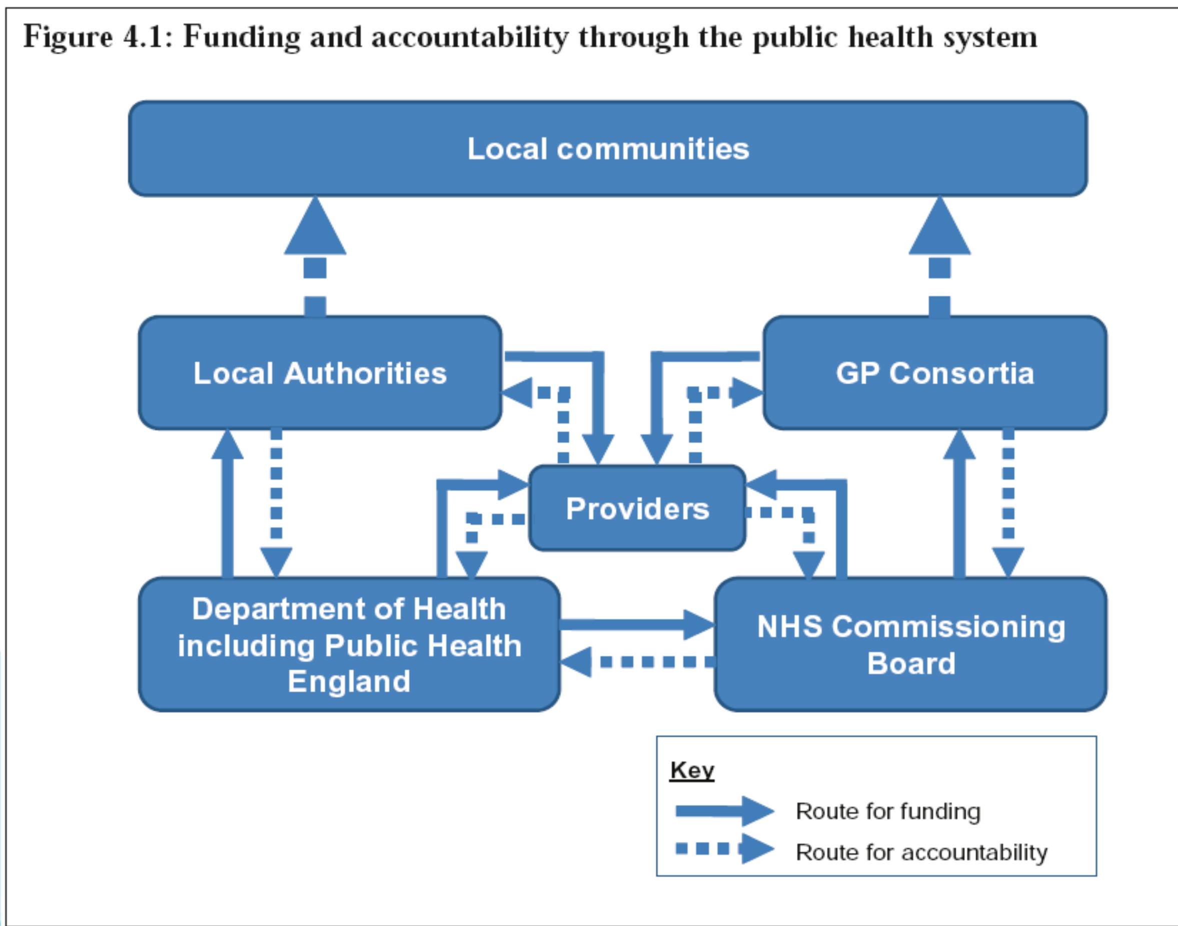

Figure 4.1: Funding and accountability through the public health system

Role of the DPH

- Promoting health and wellbeing within local government
- Providing and using evidence relating to health and wellbeing
- Advising and supporting GP consortia on the population aspects of NHS services
- Developing an approach to improving health and wellbeing locally, including promoting equality and tackling health inequalities
- Working closely with Public Health England health protection units (HPUs) to provide health protection as directed by the Secretary of State for Health
- Collaborating with local partners on improving health and wellbeing, including GP consortia, other local DsPH, local businesses and others.

The Domains

- Public health outcomes framework will have 5 domains – these domains will be used to assess impact and change and also link to health incentives:

1 – health protection and resilience – protecting people from major health emergencies and serious harm to health

2 - tackling the wider determinants of ill health: addressing factors the affect health and wellbeing

3 – heath improvement: positively promoting the adoption of health lifestyle

4 – prevention of ill health : reducing the number of people living with preventable ill health

5 – health life expectancy and preventable mortality: preventing people from dying prematurely

The East Sussex Response

- Joint working has established Joint Strategic Needs Assessment
- ESCC is early adopter for Health and Wellbeing Boards
- Importance of establishing strong relationships with GP commissioning consortia
- Successful 3rd February East Sussex wide event to develop our Public Health system – write up by end of March
- Transfer of Public Health team from PCTs on 1st April