



Report of the Director of Adult Social Services

Executive Board

Date: 3 November 2010

Subject: Deputation to Council – Unison Leeds Community Health Regarding NHS Leeds and Social Enterprise.

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

EXECUTIVE SUMMARY

1.0 Purpose of This Report.

This report is a response to the deputation to Council by representatives of UNISON Community Health regarding an expression of interest by NHS Leeds Community Healthcare's (the provider arm of NHS Leeds) request to become a social enterprise. The report provides some context for the issue highlighted in the deputation, and explains what influence the city council can bring to the decision making process. The report responds to the deputation request that the Executive Board consider whether or not to make a formal referral to the Health Scrutiny Board on this matter.

2.0 Background Information.

In early 2009 the government confirmed that separating PCT commissioning functions from the provision of services was a priority and a timetable was set for the completion of this task by 1 April 2011. In some parts of the country community health services were already provided or hosted by other NHS organisations. However, in Leeds and in the majority of others areas, community health services remained the responsibility of the primary care trust. In some areas community services are provided by Care Trusts but these are few in number and very different types of organisation.

- 2.1 A national programme called Transforming Community Services was launched and it is this work programme that has been examining the options for the provision of community services.
- 2.2 In June 2010 the new government issued an update to the Operating Framework for the NHS 2010/11, which updated policy and priorities for the NHS. This document confirmed that the separation of commissioning and provider functions remained a priority. It also outlined the criteria to be used in evaluating options:
- a preferred option must have been tested with GP commissioners and local authorities;
 - final proposals should be consistent with the aims of the forthcoming NHS strategy in strengthening the delivery of public health services and health services for children;
 - proposals should consider the implications for choice and competition;
 - proposals should consider a wide range of options, including the development and delivery of Community Foundation Trusts and Social Enterprises;
 - there has been effective engagement of staff and their representatives when considering the options.
- 2.3 Prior to the publication of the revision to the Operating Framework for the NHS, the option of a community foundation trust was limited to eight pilots and the previous government had encouraged the social enterprise option. If an expression of interest in becoming a social enterprise had been made, then the PCT was obliged to develop the business case for that option and could not pursue any other option until a social enterprise had been discounted.
- 2.4 A report presented to the NHS Leeds Board on the 29 September 2010 confirmed the current position. The business case for a social enterprise is still being developed. Progress towards the business case was reviewed by the commissioner's assessment panel on the 7 September and the panel agreed that further work was required on the financial models, including examining financial options for the future of children's community health services, and that further engagement work should commence with staff, trade unions, GPs, the local authority and the Director of Public Health. The Board agreed at the meeting in September that 'the application for Community Foundation Trust status was the preferred option for Leeds Community Healthcare'.

3.0 Main Issues.

3.1 Options for Leeds Community Healthcare.

The Department of Health continues to actively promote social enterprise as one option for the future delivery of health care. A quote from the Department's website states 'The Government's White Paper 'Equity and Excellence: Liberating the NHS' sets out the opportunity for NHS staff to transform their organisations into employee-led social enterprises that they themselves control, freeing them to use their front-line expertise to structure services around what really works for patients. The benefits of this approach will be seen in high productivity, greater innovation, better care and greater job satisfaction'.

The government is also maintaining 'the right to request', so that those staff groups working with their local communities, who are interested in forming a social enterprise do not have their wishes overruled.

- 3.2 From a patient and public perspective, services that are well integrated and provide holistic care and support to children and families for example, are highly valued. In many cases they can be more effective and efficient than services that are delivered around organisational boundaries. Whilst some change is inevitable, as the present government has endorsed the policy of the previous government in this respect, the opportunity to improve services for patients should not be lost. This needs to be undertaken with consultation and involvement of patients, the public, health service staff and partners. The NHS Leeds Board's agreement to move to wider engagement on these issues is welcomed.
- 3.3 The services provided by Leeds Community Health Services have strategic significance to Adult Social Services, Children's Services and a number of services within the Environment and Neighbourhoods directorate. Some services are already fully integrated for example, children's mental health services, Joint Care Management for older people and the Leeds Equipment Service. There are many other services that could benefit from further integration and joint delivery. The Leader of the Council has agreed with the Corporate Leadership Team to actively support the Foundation Trust option as this has the potential to develop a business case which will further the integration of health and care services across adults and children's services and improve place based productivity.
- 3.4 The Council understands that a delegation from NHS Leeds will be meeting with senior officials from the Department of Health to discuss their expression of interest in Foundation Trust status for community health services. This meeting is scheduled for the 1 November. To ensure that the Council's position was formally communicated to NHS Leeds, the Leader of the Council has written to the Chair and Chief Executive of NHS Leeds (Appendix 1), setting out the Council's support for Foundation Trust status with service delivery and governance arrangements that reflect the commitment to service integration of health and social care.

Health Scrutiny and the role of Leeds City Council's Scrutiny Board (Health).

- 3.5 Health Overview and Scrutiny Committees have a statutory role in scrutinising any significant change (or development) in the organisation and delivery of local health services. A local protocol has been agreed with NHS organisations in the city, which assist in identifying changes that fall within the statutory consultation procedure and includes agreement for early notification and consultation with the board. A small working group of the Board meets for this purpose.
- 3.6 In the case of community health services, where the Secretary of State has made public an assurance test, the Scrutiny Board will want to consider how those criteria have been applied in the local circumstances.
- 3.7 With two options being developed simultaneously, currently there are no firm proposals to consider and the local involvement and engagement activity is at a relatively early stage. However, given the requirement to involve the Scrutiny Board (Health) in any plans to change the organisation of local health services, consideration by the Scrutiny Board (Health) is inevitable. Indeed, arrangements are being made for the Board to consider these issues at its meeting on 23 November 2010.

4.0 Implications for Council Policy and Governance.

4.1 At this stage there are no immediate policy or governance issues for the Council. When formal proposals are made the Council will have an opportunity to consider a formal response.

5.0 Legal And Resource Implications

5.1 There are no specific legal or resource implications at this time. In the event of any further consideration of this matter within the Council, all relevant implications will be highlighted appropriately.

6.0 Conclusions

6.1 The deputation to Council has been pre-empted by a change in government policy and a re-consideration of those policy issues by the NHS Leeds Board. The Health Scrutiny Board plays a statutory role in the formal consultation stage associated with substantial service change proposals. While details of any formal consultation are still to be finalised, arrangements are currently being made for the Scrutiny Board (Health) to consider the issues raised by the deputation to Council, at its meeting on the 23 November 2010.

7.0 Recommendations.

The Executive Board is asked:

- to note the response to the Unison Leeds Community Health delegation to Council, and
- take no further action regarding the request that the Executive Board refer this matter to Health Scrutiny on the grounds that arrangements are in place for the Scrutiny Board (Health) to consider plans for the re-organisation of community health services in Leeds at its meeting on 23 November 2010.
- to note that the Leader of the Council has written to NHS Leeds confirming the Council's support for Foundation Trust status for Leeds Community Healthcare based upon the integration of health and social care services.

Background documents referred to in this report:

Revision to the NHS Operating Framework - Department of Health June 2010

Report on Transforming Community Services Update – NHS Leeds Board 29 September 2010