COUNCIL ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO COUNCIL

8 MARCH, 2006

REPORT OF HEALTH SELECT COMMITTEE

COUNCIL DECISION

CHAIR HEALTH SELECT COMMITTEE -COUNCILLOR MRS. WOMPHREY

RESPONSE TO THE CONSULTATION DOCUMENT ON NEW PRIMARY CARE TRUST ARRANGEMENTS IN COUNTY DURHAM AND TEES VALLEY

1. Summary

To recommend to Members the response to the Consultation Document considered by meetings of the Health Select Committee on 13th and 22nd February 2006 (Min nos 1035-1037 and 1042-1043 refers) and outline reasons for the recommendation.

2. Recommendations

That Members support Option 2 within the Consultation Document that retains a coterminous Primary Care Trust with Stockton on Tees Borough Council.

3. Reasons for the Recommendations/Decision(s)

The Council has been asked for a response to the consultation by 22nd March, 2006 and the Health Select Committee has reviewed the evidence supporting the two options given and concluded that Option 2 provides a Primary Care Trust that is fit for purpose.

4. Members Interests

Members (including co-opted members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (paragraph 8) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (paragraph 10 of the code of conduct).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting is being held, whilst the matter is being considered; not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (paragraph 12 of the Code).

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SUMMARY

To recommend to Members the response to the Consultation Document considered by meetings of the Health Select Committee on 13th and 22nd February 2006 (Min nos 1035-1037 and 1042-1043 refers) on proposed new Primary Care Trust (PCT) arrangements and outline reasons for the recommendation.

RECOMMENDATIONS

That Members support Option 2 within the Consultation Document which retains a coterminous Primary Care Trust with Stockton on Tees Borough Council.

DETAIL

1. The Council has been asked to respond to a Consultation on PCT arrangements being undertaken by the Strategic Health Authority with a deadline of 22 March, 2006. The consultation is being undertaken as part of a national initiative "Ensuring a Patient Led NHS". A copy of the document is attached.

2. The Council's relationship with the PCT is of fundamental importance in taking forward strategies on health and well-being, providing integrated services for vulnerable people and working with others in Renaissance and other thematic partnerships. Only a close relationship will generate improvements in the health status of residents, reduce health inequalities and provide effective services.

3. The relationship is reliant on other partners being committed to sharing priorities that focus on the needs of local people.

4. The present configuration in Tees Valley has PCTs coterminous with Local Authorities except for an unusual boundary difference between Middlesbrough and Redcar & Cleveland.

5. Two options are identified in the Consultation Document :

   Option 1 :

   - one new PCT for County Durham and Darlington
   - one new PCT for Teesside

   Option 2 :

   - one new County Durham PCT (merging existing ones

- five PCTs covering Darlington, Hartlepool, Stockton on Tees, Middlesbrough and Redcar & Cleveland based on the boundaries of the Unitary Local Authorities.

6. Whichever option is selected there is a requirement that each existing PCT save 15% of its management costs which in total constitutes a saving across County Durham and Tees Valley of £6 million.

7. In judging which proposed configuration is the better, seven criteria have been set to show whether a new PCT would be 'fit for purpose'. The Committee has considered each option and checked them against these criteria before reaching a conclusion on its recommendation. Whilst NHS bodies would seem to favour the establishment of larger PCTs as outlined in Option 1; the focus of their argument is the criteria relating to the commissioning role of PCTs and managing financial risk. The full list is as follows :

- secure high quality, safe services
- improve health and reduce inequalities
- improve the engagement of EPs 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 co-ordination with social services and other Local Authority services through greater congruence of PCT and Local Authority boundaries

8. It is the Committee's view that Option 2 better fits the criteria on

- improve health and reduce inequalities
- improve the engagement of EPs
- improve public involvement
- improve co-ordination with social services and other Local Authority services

It takes this view because it believes that coterminosity has significant advantages in creating these partnerships and shared priorities for local residents. It also believes that a locally based PCT is better able to engage with all local practitioners and, in concert with the Council, involve residents and users in every aspect of health strategy and service delivery. Quoting from the White Paper "Our health, our care, our say" para 7.33 "In most parts of the country, consultations are now taking place on options for changing PCT boundaries. Many of the options provide for PCT boundaries to be the same as those of local authorities with social services responsibilities, which would make it easier to achieve better integration of health and social care".

9. Coterminosity has been the basis of many similar reconfigurations across the country and SHAs elsewhere have sought to retain or create coterminosity where it did not previously exist.

10. The main thrust of many Government initiatives is the development of local services in partnership. The recent White Paper "Our health, our care, our say" has emphasised the value of having coterminous PCTs with Local Authorities with responsibility for social care. This extends into many areas of strategy and service delivery such as children's services, drugs, environmental issues as just a few examples. It seems perverse to move away from these principles so recently expounded. Equally it is perverse to seek to remove coterminosity within Stockton when so much effort was made to ensure a single PCT for Stockton when first created rather than the two originally suggested. At that time PCTs were envisaged as serving 100,000 people.

11. With regard to the other three criteria the Committee would take issue with a number of the assertions made in the Consultative Document. There is no real evidence to suggest that a larger PCT can ensure higher quality or safer services. Much of the responsibility for safety and quality rests with the provider of service not the commissioner. There is no evidence to suggest that North Tees PCT have been unable to contribute adequately to this issue.

12. On the question of the commissioning of services, which is given prominence in the Consultative Document, the Committee has misgivings. Again no evidence is given to show that a larger PCT would commission services more effectively. It is suggested that it would be better placed to wrest resources from the acute sector of the NHS to invest in community services but this is more reliant on the NHS as a whole and SHAs in particular to show this is a priority. Seemingly ignored is the fact that the PCT commissions nearly all its non acute services jointly with the Council. Joint posts exist for this purpose and the system ensures local decision making based on an analysis of local need. A larger PCT would jeopardise this as there would clearly be a more to a single model approach and the likelihood of PCT wide implementation. The Council would probably have to change its structure and commit extra resources to this and other areas where a joint approach has been taken. The economies of scale sought by the NHS could be at the expense of the Council.

13. In the same way no real evidence is given to support the suggestion that a larger PCT would be more financially sound. An analysis of the 18 NHS organisations identified recently for immediate turnaround support shows a cross sector of Trusts and PCTs some with small, some with large budgets over £400 m. There is no real correlation.

14. The SHA also suggests that Option 1 with larger PCTs would generate savings more easily. It relies on the principle of removing several PCT Boards at a saving of £500,000 each. Despite this financial imperative the Committee did not see that it should override the need to have the right solution especially where there are many other ways available to generate the necessary savings. The Committee also took the view that it was unfair to expect North Tees PCT to make such large savings when the preferred solution was to stay the same and had such benefits. It did this in the knowledge that in many other areas such as Durham, West Yorkshire the number of PCTs would reduce significantly thereby giving the potential for greater savings in those areas.

15. There are a number of ways in which local PCTs could work together and make appropriate economies. The NHS might consider the following areas :

- Joint Commissioning
- Financial Services
- HR Services
- Information and ICT
- Governance Arrangements
- Property Management
- Risk Management
- Public Health

16. The Committee also held the view that the absence of Board level representation, either non executive or executive from many of the Partnerships in Stockton was a serious disadvantage in terms of reaching shared agreement on strategies and priorities as well as commitment to implementation. Any other structure would be very much second best and likely to lead to considerably more effort on the part of each Council and therefore the use of additional resources.

17. In considering its final recommendation the Committee concentrated on the following principal reasons in supporting Option 2 :

- it retains the essential coterminous model
- it supports the effective partnership arrangements across Stockton on Tees
- it allows the development of shared health and well being priorities
- there is no real evidence to support many of the assertions within the document that support Option 1
- the savings can be found in a number of ways and, in any event, North Tees PCT should not be expected to find the share allocated.

FINANCIAL AND LEGAL IMPLICATIONS

Financial

18. Either of the options will impact on the way the Council's own structure is configured but the actual implications cannot be assessed at this stage.

RISK ASSESSMENT

19. There is no direct risk to the Council but the ultimate conclusion will influence the way Strategic Partnerships work in the future and may impact on the commissioning and delivery of services.

COMMUNITY STRATEGY IMPLICATIONS

20. The PCT has a role to play in all the themes of the Community Strategy as listed below but is particularly concerned in Community Safety and Well Being Health and Children's Issues. The configuration of the PCTs locally will impact on the future working of the partnerships.

Name of Contact Officer – Graham Birtle
Post Title – Scrutiny Officer
Telephone No. 01642 526187
Email Address: graham.birtle@stockton.gov.uk

Name of Contact Officer – Tony Beckwith
Post Title – Head of Support Services
Telephone No. 01642 527052
Email Address: tony.beckwith@stockton.gov.uk

Background Papers	Consultation Document from Strategic Health Authority
Ward(s) and Ward Councillors**:**	N/A
Property	N/A