

HAMPSHIRE PRIMARY CARE TRUST

REPORT TO HAMPSHIRE OVERSIGHT AND SCRUTINY COMMITTEE

TRANSFORMING COMMUNITY SERVICES: INTEGRATING HAMPSHIRE COMMUNITY HEALTH CARE AND HAMPSHIRE PARTNERSHIP NHS FOUNDATION TRUST

1. INTRODUCTION

- 1.1 This paper provides the Hampshire Oversight and Scrutiny Committee with an update on the transforming community services programme to integrate Hampshire Community Health Care with Hampshire Partnership NHS Foundation Trust.
- 1.2 Since Hampshire Primary Care Trust's [PCT] establishment in October 2006, the organisation has sought to separate the core parts of its business into two distinct and autonomous bodies: NHS Hampshire, the commissioning arm, and Hampshire Community Health Care [HCHC], the community health service provider.
- 1.3 In December 2009, the Department of Health wrote to all PCTs in England requiring them to make a recommendation to the South Central Strategic Health Authority [SHA] on the future organisational form for their service delivery arm by 31 March 2010. This short timescale was set in order to provide certainty for staff and a stable foundation for service transformation. In February 2010, the Department published the assurance and approvals process for PCT-provided community services. This guidance described a set of national tests that PCTs' proposals would need to pass in order to be approved by SHAs.
- 1.4 In order to progress this work, NHS Hampshire first established a provider review committee (ensuring public, clinical and stakeholder participation) and developed a Commissioner Case for Change to ensure that the benefits of such a process were clearly identified.

2 APPROVAL AND ASSURANCE PROCESS

- 2.1 On 25th March 2010 Hampshire Partnership NHS Foundation Trust (HPFT) was approved by the Board of Hampshire PCT as the preferred strategic partner for Hampshire Community Health Care (HCHC) following a robust and transparent process. Following this decision, a report was presented to the South Central SHA detailing:
 - long list options for provider services
 - option appraisal
 - preferred option(s) by category
 - preferred option(s) high level assessed against DH tests with risk analysis including workforce (& future implications of potential multiple TUPE)
 - the governance process used to date including user involvement/communication, HOSC engagement, Staff side engagement

2.2 On the 31 March 2010, the SHA reported back to Hampshire PCT that it had reviewed the submission on the basis of the following criteria:

- appropriate long list
- sensible criteria for selection of preferred option(s) including DH tests, TCS commissioning plan
- transparent inclusive approach to selection of preferred provider (s)
- risk analysis undertaken
- due process followed including feedback from Social Partnership Forum

2.3 On the basis of this review, the SHA decided that the PCT should receive approval in principle to proceed to the development of a business case. This approval in principle was given with the agreement of the Department of Health.

3 BUSINESS CASE

3.1 The Department of Health set an ambition for PCTs to implement the new provider solution by April 2011, or to have made very substantial progress towards the new organisational form by that date. Following the receipt of the SHA's approval in principle, there has been considerable work undertaken by members of HCHC, NHS Hampshire and HPFT in developing a joint business case that has been approved by the Board of Hampshire PCT and is now with the SHA for consideration and recommendation to the Department of Health.

3.2 The business case describes the strategic context for this transaction and benefits that will be realised. In addition to describing the current organisations, the business case talks about how the vision, strategy and structure of the new organisation is developing and describes in detail how HPFT was chosen as the preferred strategic partner for HCHC. It also addresses the arrangements that have been put in place to ensure continuity of services during the transition phase and management of the overall programme to transfer HCHC to HPFT.

3.3 This paper will focus largely on the benefits to be achieved through this transaction (section 4) whilst also outlining the additional sections of the business case in this section.

Strategic Context

3.4 This section of the business case explores the background and context of the transaction. It describes the national policy context in relation to Transforming Community Services and outlines NHS Hampshire's strategy, Healthy Horizons, which has previously presented to the HOSC.

Provider Organisation Profiles

3.5 HPFT was authorised to operate as an NHS Foundation Trust from 1 April 2009. As a Foundation Trust, HPFT has over 15,000 members represented on the Council of Governors. The stated business strategy has been to focus on mental health and learning disability services within Hampshire and neighbouring counties.

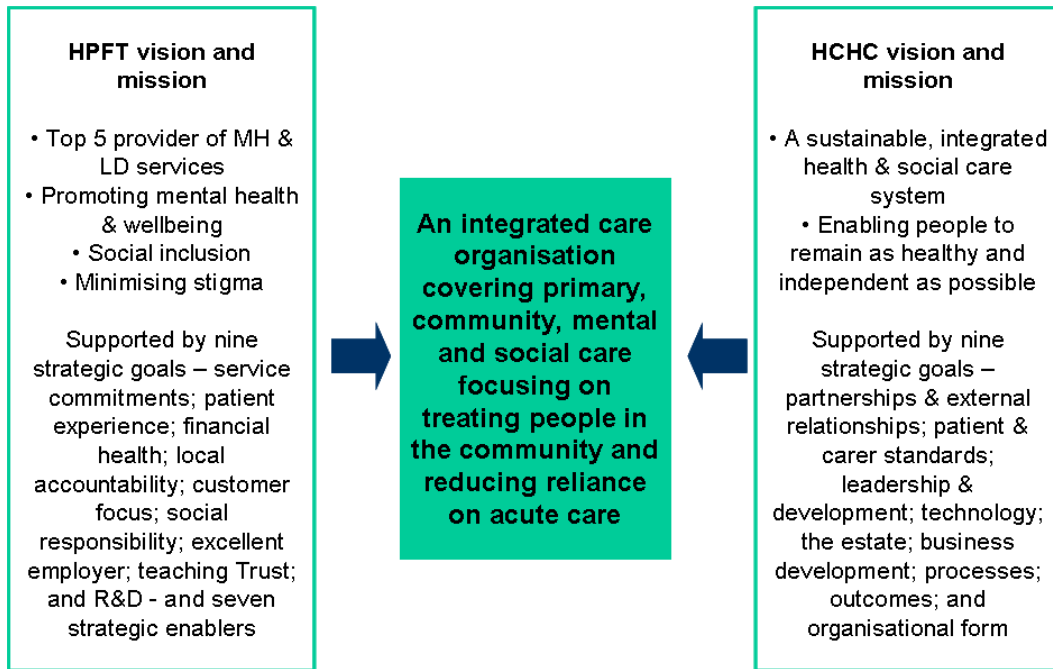
- 3.6 The Trust provides specialist mental health and learning disability services to nearly 1.3 million people within Southampton and Hampshire, excluding the Blackwater Valley area of north east Hampshire and the population of the city of Portsmouth. The trust employs almost 4,500 staff and operates across 89 sites, including community team bases, outpatient clinics, day hospitals, inpatient units and supported living accommodation for people with learning disabilities.
- 3.7 The trust also provides some specialised and forensic services to people outside Hampshire and Southampton and social care services, commissioned primarily by Hampshire County and Southampton City Councils. Portsmouth City Council also commissions a small amount of social care services. 82% of income is derived from Hampshire and Southampton City primary care trusts and from the South Central Specialised Services Commissioning Group.
- 3.8 Hampshire Community Healthcare has an annual turnover of £135m, employs 3,000 people (2,300 whole time equivalent staff) and serves a catchment population of 1.2 million people, providing community-based health services across 16 localities in Hampshire. Services are provided from a range of hospitals, clinics, health centres and in the community. There are 13 community hospitals, with approximately 220 beds.
- 3.9 HCHC's main commissioner is NHS Hampshire, which accounts for 85% of income. Other commissioners include Portsmouth City Teaching PCT and NHS Southampton City. The key local authority commissioner is Hampshire County Council, which commissions £4.8m worth of services.
- 3.10 HCHC provides the majority of community services across Hampshire. Other providers of community services to the county are Solent Healthcare - the combined provider arm of Portsmouth City Teaching PCT and NHS Southampton City - , Surrey PCT and local acute trusts.

Benefits

- 3.11 These are described in detail in section 4.

Vision, Strategy and Structure

- 3.12 This section of the business case describes how HPFT and HCHC are working together to develop a "new HPFT" that delivers the benefits to services and patients. Both providers and commissioners are keen to see an enlarged HPFT that combines the best of both organisations and is more than the sum of its parts. Work is under way to build on the achievements already made and aspirations already articulated to develop a shared vision, strategy and proposals for an organisational structure to take forward that vision.
- 3.13 HPFT and HCHC already have a number of consistencies in their respective organisational visions. This has formed a solid base for the development of the combined organisation's strategy:



Testing the Acquisition Proposal

3.14 This section describes in detail the process undertaken by Hampshire PCT in determining its preferred solution for the divestment of Hampshire Community Helathcare, as required by the Department of Health.

Integration Achievability

3.15 This section describes how the transition is being managed and measures in place to ensure that:

- Performance is maintained through the transition period. Both organisations are already delivering challenging agendas and this must not be stopped or slowed down.
- There are some early wins - realisation of agreed benefits according to a clear timescale.
- There has been 'buy in' to the new organisation by commissioners and stakeholders.
- There is evidence of an emerging ownership of the concept and vision throughout the whole merged organisation.

4 BENEFITS TO BE REALISED THROUGH THE TRANSACTION

4.1 The potential benefits realisable through this transaction are detailed in the following four areas:

STRONG FOUNDATION TO CONTINUE SERVICE DELIVERY & TRANSFORMATION AND BENEFIT PATIENTS

4.2 The acquisition of HCHC by HPFT will, we believe, create a provider which is greater than the sum of its parts and which is the best proposition to achieve

the transformation of community services in a way which meets national requirements and local commissioning ambitions. A provider which has the flexibilities of a Foundation Trust, significant critical mass and infrastructure and is itself a significant provider of community based services which are integral to a number of care pathways is an ideal organising core for the regrouping of community services for the benefit of the people of Hampshire.

- 4.3 The new organisation has the potential to develop service provision in support of care pathways in more logical and joined up ways which take advantage of the location of mental health and learning disability and community services within the same organisation. An holistic approach to patient care would help people to live as independently as possible in the community, reduce hospital admissions and the length of hospital stays.
- 4.4 There will be an improved ability to deliver an “out of hospital” care model by integrating patient pathways. Patients will not have to repeat information to different healthcare professionals; patients and carers will be better informed; reduced delays at interfaces; more personalised bespoke care.
- 4.5 Stronger mental health support will be provided into primary care, together with enhanced specialist MH advice for community and primary care, leading to earlier diagnosis and treatment of mental health needs and enhanced ability to treat both physical and mental health needs at the same time. There will be an increased potential for “one stop shop” with support personalised to patients needs and with reduced delays and interfaces.
- 4.6 Reduced stigma from association with a mental illness for patients.
- 4.7 An enhanced Foundation Trust will be able to build upon existing excellent working relations with local authorities and the primary care community which are in place across Hampshire to create to models of community care which can balance the advantages of providing coherent, cost effective and joined up services delivered in appropriate integrated partnership arrangements which meet the bespoke needs of local NHS and local authority commissioners. Clinical risk will be reduced through few “hand-offs” and improved patient experience.

Governance Strengths and Expertise

- 4.8 HPFT is a well established and successful healthcare provider. It has a strong track record in managing mergers and in transforming mental health and learning disabilities services across Hampshire. Such experience in the organisation will be essential if harnessed alongside the expertise of HCHC leaders in rapid service transformation.
- 4.9 Other benefits include:
 - relationship management with clinicians in other sectors / one organisation to interact with
 - opportunities for staff to develop expertise and improved opportunities for staff development
 - designing services that meet patient needs: NHS Foundation Trusts have more freedom from central Government control to work with patients and users to design services to meet their needs

- involving patients in developing services: Patients/users can become a member of the NHS Foundation Trust. Members receive regular information about services and are consulted on plans for future development. They are invited to meetings and events, including the Annual General Meeting and are able to vote for Governors of the NHS Foundation Trust.
- a patient voice in running the organisation. Patients/users will be able to stand for election as a Governor of the NHS Foundation Trust. Governors appoint the Chair and Non-Executive Directors of the Trust. They have a say in how services are run.
- a major benefit to the governance assurance process will be the rationalisation of external accreditation processes which will allow greater efficiency and flexibility within teams and decreased workload requirements.
- the governance resources of an enlarged Foundation trust will allow greater flexibility and aid opportunities for involvement in a greater number of initiatives and pilots so enhancing patient safety and the kudos of the organisation.
- An integrated organisation with better integration of services will create a wealth of knowledge which can be used to increase patient safety.

IMPROVED PRODUCTIVITY AND COST REDUCTION

- 4.10 The acquisition would significantly help with the reduction of infrastructural costs. One provider would have one set of governance arrangements, one board, streamlined administration arrangements etc which could release resources to frontline care and quality improvement. These opportunities for better use of resources would be replicated at several levels of the Trust.
- 4.11 Similar opportunities for economies of scale would present themselves in a range of support functions which would have the potential for the shifting of further significant resources to those areas where the patient accesses services.
- 4.12 The management of mental health and learning disability services and community services in the same provider organisation offers real opportunities for enhanced working. Mental health underlies/impacts on many physical health conditions. Better integration of staff working together more effectively could benefit patients by ensuring more joined up approaches to care, better designed patient pathways, and care delivered by staff able to benefit from multi disciplinary training, interaction and development.
- 4.13 Dealing with one provider Trust which contains both mental health and community services would reduce the bureaucracy and confusion which is often a feature of the patient experience when having to receive different facets of care from several organisations.

Workforce efficiencies (including management cost reduction)

- 4.14 HPFT is working with the HCHC Executive Team to design a management structure appropriate to lead the integrated organisation. The new structure will ensure that all elements of patient orientated service are given recognition and resources and are supported by streamlined corporate services. Once

designed, a formal process will be undertaken consistent with Trust policies to appoint the right person for each role.

- 4.15 A benefit of the acquisition will be the elimination of duplicated posts and from savings from the increased scale of the merged entity. The mitigation of the cost of change will be through the removal of any interims within either organisation and then redeployment of any displaced individuals within the wider NHS. Some resource would also be employed in the first twelve months of the new organisation as part of the integration team, therefore giving a longer period to find suitable alternative roles for displaced individuals.
- 4.16 A significant proportion of these savings will be realised through a management cost reduction programme. In 2010, the South Central Strategic Health Authority confirmed the requirement for HCHC to deliver a 54% management cost reduction over 3 years. The delivery of this reduction would render HCHC unviable as a stand alone organisation. Integration with HPFT will enable the reduction in management costs and the maintenance of the transformation programme set out within the Transforming Community Services Strategy.

Non-pay efficiencies & benefits

- 4.17 A separate detailed review of overhead non-pay costs is under way across the two merging entities, with anticipated cost savings to be identified. As with pay costs, there will be sufficient time from selection as preferred bidder to undertake this detailed review of costs and therefore some level of savings are likely to accrue from the transfer date

Estates efficiencies

- 4.18 There will be many small scale opportunities across the two estates to improve utilisation particularly by moving community based teams from either organisation into what is otherwise vacant space. The cost saving per move will not be substantial but through aggregation across the whole county it could be material. Although detailed work has still to be completed, a minimum target of £0.5M per annum appears reasonable.
- 4.19 The integration of HPFT and HCHC presents an opportunity to rationalise estates, which could facilitate improvements in overall estate condition. Integration of HPFT and HCHC services on single sites could also reduce stigma associated with mental health facilities and allow the provision of HPFT and HCHC services in locations more convenient for some patients.
- 4.20 NHS Hampshire is working closely with HPFT to review the type, quantity and location of services and to explore opportunities to rationalise the current estate as a whole over HPFT's and HCHC's shared geographical area. The integrated organisation will make best use of the total estate for community team co-location and integrating mental health and community services under the HCHC hub and spoke model. It will also work with commissioners, including GP commissioners, to agree best locations for access and for addressing inequalities in services.
- 4.21 NHS Hampshire will work with the new organisation to support them in developing proposals for sites which currently do not provide modern appropriate facilities and which may not be in the best location. Opportunities

for estates rationalisation would require consultation with the affected services and patients, carers and the general public in line with NHS guidance on service changes.

4.22 NHS Hampshire will encourage robust approaches to securing the best quality and value for money. The integrated organisation will:

- ensure that there are robust property management agreements in place (leases, licences, Memorandums of Occupation etc) throughout the HCHC estate portfolio, taking account of any agreements due for renegotiation;
- provide a Hampshire-wide approach to environmental standards reducing carbon emissions in line with NHS targets, as a minimum (initially concentrating on building energy emissions and travel and then Procurement) following HPFT's Sustainable Development Plan carbon footprint reduction. This may influence decisions on staff co-location.

QIPP / System Sustainability Delivery

4.23 The acquisition of HCHC by HPFT will be an important element in the delivery of a clinically and financially sustainable health economy in Hampshire. The partnership will create real opportunities to make out of hospital care a reality. HPFT have already made significant progress towards this transformation within mental health services, as has HCHC. As an integrated body, HPFT/HCHC have the potential to ensure delivery of a significant and challenging quality and productivity programme for Hampshire. Key performance indicators include:

- reduce unnecessary admissions to secondary care
- reduce readmissions to hospital
- reduce length of stay to that of upper quartile performance
- number of actively case managed patients per community matron and/or virtual ward
- referrals to rapid assessment services
- referrals to falls prevention service
- number of people supported in their choice to die at home

CLINICAL TRANSFORMATION SYNERGY

4.24 The general principles underlying the Transforming Community Services programme have been spelt out in detail elsewhere but it may be helpful to reiterate that commissioning of services will ensure a greater focus on:

- commissioning by care pathways: moving away from a focus on discrete services and staff groupings such as 'health visiting services' or 'diagnostic services' to a focus on 'diabetes' or 'childrens' services ;
- increasing the use of information technology;
- commissioning for health outcomes: moving away from counting numbers of patient 'contacts';
- ensuring services are evidence based & transformational.

- 4.25 To support this approach, we need providers who will deliver the development of community and primary care services which will:
- be 'personalised' – planned and delivered around the patient for maximum benefits and outcomes;
 - tackle inequalities - reduce variation, address gaps in life expectancy and improve access
 - demonstrate high quality and modern provision,
 - focus on early diagnosis and intervention;
- prioritise prevention, health improvement and/or self management;
 - maximise integration on 3 levels – at primary care team level so that services wrap around discrete populations and practices, at neighbourhood and local community level and at health & social care level working across adults & children. This integration will also facilitate the focus of commissioning to shift from the PCT to GP commissioning consortia;
 - provide care close to people's homes or at home;
 - include greater provision of specialist services that are community based.
- 4.26 As previously noted the new integrated HPFT/HCHC service delivery model is being developed through the integration programme. Further work will be required on the part of the commissioners and HCHC and HPFT to ensure that a common vision, culture and underpinning delivery systems will be developed. However, our work to date has given assurance that this work is making good progress.
- 4.27 Clearly a major benefit of the integration of a mental health provider and a community provider is the opportunity to take a holistic approach to person centred care. The impact on mental health of physical conditions and vice versa, is well documented. The early integration of teams will allow for both dimensions of the patients needs to be met quickly.
- 4.28 Integration will also provide great benefits to the individual. People with complex physical and mental health needs are a good example. They are often subjected to multiple assessments, disruption in their home through repetitive visits and multiple (sometimes contradictory) interventions. Integration of services can effectively reduce the number of visits that people receive and lessen the number of times that individuals have to repeat their personal details. It provides an opportunity for a more holistic overview of the care that individuals are receiving.

Quality of Care

- 4.29 Both HPFT and HCHC have a good track in delivering quality services. Whilst both organisations start from a good reputational base there is also recognition that there is always scope for improvement and development. There are a number of services where patients are currently experiencing long waiting times, it is planned that there will be a sharing of good practice with the larger HPFT provider being better able to flex resources to respond, this will help to improve waiting times and the patient experience.
- 4.30 The acquisition will involve the further development of governance, learning and development and other functions which will contribute to the Quality,

Improvement Performance and Prevention (QIPP) programme. It will also support initiatives such as the Patient Safety in the Community Programme, SHA clinical work streams including education patroness such as learning beyond registration.

- 4.31 The acquisition will benefit clinical leadership - there are a small number of consultant nurses who lead in different areas of both organisations and this expertise will support effective cross fertilisation of leadership across the Foundation Trust.
- 4.32 The strong cohort of matrons and clinical leads including areas such as matrons for physical health in Mental Health Services will be a real asset in terms of leading patient safety initiatives such as care of the deteriorating patient and can enhance the leadership models in use when combined with Consultant Nurse roles. There is also an opportunity for reviewing and refocusing these roles in the future.
- 4.33 Medical research and development will be enhanced as there will be a greater ability to sustain more integrated research activities and opportunities due to an increase in size of the R and D function which in turn will provide greater access to income streaming.
- 4.34 Local medical education will be enhanced across Hampshire supported by an increase in efficiency as a result of additional and better focussed resources from the pooling of educational leads/teams. This will ensure that more can be delivered locally.

Integrated Care

- 4.35 One of the key clinical efficiency opportunities is the potential to accelerate delivery of the integrated care model leading to better quality care in the community with fewer unnecessary hospital admissions and reduced length of stay. This will be achieved by:
 - bringing together the resources of mental health with community health services, and ensuring closer alignment with primary care, social care and acute elderly services, ensuring a focus on:
 - meeting local needs in the most co-ordinated and efficient manner to ensure best outcomes
 - maximising support whilst eliminating duplication
 - streamlining the transition between services to improve the patient experience.

In the medium term, this is likely to mean integrating the community mental health teams for older people with the Community Care Teams of HCHC and where possible moving to ensure professional co-location.

- reduce service handoffs, with joined up working which could help tackle some of the physical health aspects linked to mental illness and the mental health aspects of physical illness. There is potential to improve/enhance the HPFT community services offering to patients through the delivery of a more comprehensive integrated package of care addressing physical as well as mental health care needs - an

example could be an integrated single point of access (SPA) and assessment service spanning mental health, social care and community services.

- a single point of access for all services can be established, developing from existing HCHC rapid response resources and learning from the experience of adult mental health crisis and home treatment teams. This would be supported by ready access to specialist opinion (including at consultant level) whilst still facilitating primary care practitioners on the ground to have the best communications with all linked community practitioners.
- The acquisition could make some Out of Hours services more viable by combining existing provision within HPFT and HCHC and, potentially Social services.
- HPFT in its new configuration, will be able to develop a critical mass of interdependent local services with the opportunity for better co-ordination. This will result in more effective targeting of resources to local areas with the biggest challenges and enable better communication between practitioners, reducing duplication and the need for multiple assessments or out of area placements.
- Successful partnership working underpins the approach to helping people live as independently as possible within the community. To create an integrated community and primary care system that delivers improved patient experience, promotes independence and reduces reliance on institutional care, partnership working needs to be at the centre of it. As a merged organisation, HPFT's strong links with Social care and Local Authority and HCHC's strong relationships with primary care can be built upon.
- HPFT and HCHC share a geographical footprint, and can implement service integration and extend multi-disciplinary team working that will ensure county-wide consistency. Hampshire Children's services have highlighted consistency of service provision as a key concern and the variable resourcing of services across the county has been raised by GP commissioners as an important issue.

Older People's Care

4.36 The integrated organisation will focus on integrating the older people's mental health service in the community, and in achieving this, it will ensure that:

- Pathways are clear and that personalised care planning works to proactively manage patients to avoid escalation and to facilitate discharge.
- Crisis Team experience in home treatment teams and in initial assessment is built upon.
- Community care teams are integrated with older people's mental health teams.
- There is better basic training of all health care workers in the recognition of mental health issues and in dealing with step one interventions in psychological therapy approaches.
- There is nursing home input to older people's mental health care and that operated by HCHC is merged.

- A Social care offering for community care staff especially in rapid response and step up is developed - this could be instrumental in managing the closure of HCHC community beds.
- A developing health promotion and recovery role for Social care staff - in smoking cessation, oral health, obesity, sexual health, exercise and mobility and in identifying potential deterioration and in averting crises is exploited; and extended to include services like bandage checking, maintenance of remote monitoring technology and percutaneous endoscopic gastrostomy (PEG) feeds, etc.

Children's services

4.37 The HPFT and HCHC partnership will be particularly advantageous with regard to children's services. There is a natural fit between the two organisations' children's services and they are already building on historic positive working arrangements. The benefits from this closer relationship will be:

- greater coherence throughout the system
- improved care co-ordination for children: one child, one plan
- Integrated care pathways
- Timely access for children to any service
- Seamless interface with the County Council
- Opportunities for skills and knowledge transfer and sharing of good practice

4.38 Integrating and delivering improvements in services for children with complex needs will be a key early priority. The work of the Hampshire CAMHS Commissioning Partnership will be accelerated with a view to improving services for vulnerable children, CAMHS, perinatal services and children with disability, acute ambulatory and long term care. Improved coherence of multidisciplinary community services across Hampshire will result in more efficient use of hospital beds and an improvement in access to adolescent psychiatric beds. A significant reduction in admissions to independent sector hospitals is possible with better integration of services across Hampshire enabling assertive community support. Discussions are underway regarding the extent of the efficiency that could be realised in 2011/12 and beyond.

4.39 Though the pathways that will derive most benefit from the integration of services are those for children with complex needs, all children will benefit from the efficiencies and improved access to services. Community services will be expected to provide a universal 0-19 service which includes health visiting and school nursing.

Services for adults

4.40 Additional benefits of the integration of HCHC & HPFT include:

- expertise in brokerage - key to helping users and carers in the community make important decisions for care planning.
- expertise in dealing with personalised care and individual budgets will prove invaluable when these extend to other types of health care.

5 RECOMMENDATIONS

- 5.1 The Hampshire Oversight and Scrutiny Committee is asked to note the progress in Transforming Community Services: integrating Hampshire Community Health Care and Hampshire Partnership NHS Foundation Trust.