

Birmingham East and North



South Birmingham



Heart of Birmingham

Teaching Primary Care Trust

Review of PCT joint working and commissioning in Birmingham

30 December 2009

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1 Introduction

The three Birmingham PCTs have reviewed current commissioning arrangements and assessed options to reach a recommended option for future commissioning arrangements. The aim of this review was to ensure that the three PCTs have a process in place that will optimise their joint working and commissioning and put them in the best position possible to deal with the challenges ahead. These challenges include addressing health inequalities, community provider service reconfiguration, the economic challenge and partnership working with the local authority.

The agreed project outcomes of this review are:

- For the three PCT Boards to consider and reflect upon the most appropriate future arrangements.
- Key stakeholders to be given an opportunity to consider the possible options for the three PCTs and to contribute to the discussion.
- A description and explanation of a recommended option.
- An agreed process of how to arrive at a *preferred* option.
- Key stakeholders to have an understanding of the next stage and their role within it.

This paper sets out the recommended option and proposes principles for the future programme, in 2010, which would include determining a preferred option. As such this paper sets out the pathway to ensure strengthened and sustainable joint working and commissioning arrangements for Birmingham. This paper is not a business case and further, detailed work is required to move from the current recommended option to a preferred option.

Specifically the paper looks at the current context; the process of this review; the case for change; assessment of the options; risks and countermeasures for the recommended option; and the future programme. Specific mention is also made of the way forward for PCT provider services in Birmingham.

2 Context

2.1 The system challenge

“We are at a critical juncture in the history of the NHS. After a decade of investment and reform that has helped drive real improvements for our patients, the NHS, along with other public services, is about to enter perhaps the toughest financial climate it has ever known.”

David Nicholson, Chief Executive NHS

The Operating Framework for the NHS in England 2010/11

Internationally health spending is predicted to grow faster than our economies, leading to increasing proportions of GDP being required by healthcare. Over the last 50 years health spending has grown, on average, by 2 percent in excess of GDP growth across all Organisation for Economic Co-operation and Development (OECD) countries. If this trend continues analysts predict that by 2100 healthcare could consume over 50 percent of GDP in OECD countries.¹

In the UK Investec forecasts that healthcare spending, unchecked, could increase from 9% to 37% of GDP by 2050 based on a long term GDP growth rate of 2.5%.² This strong growth in health expenditure is driven by demographics, advances in technology and patient expectations. Investec also point out that similar unsustainable growth is likely in social care.

In the three-year spending rounds since 1997 spending on the NHS has risen much faster than inflation, with annual real increases of 7% a year between 2000 and 2006.

On top of this long term imbalance of health care expenditure outstripping GDP, there is now also a short term recessionary crunch. As our GDP has fallen we now need to reign in our health spending just to stay within the historic trend of health spending growing 2 percent faster than GDP. The UK economy contracted by 4.1 percent³ in the year to the first quarter of 2009; so to stay in line with the long term trend health spending would need to reduce by 2.1 percent.

1 Drouin, Hediger and Henke, 'Health care costs: A market-based view', The McKinsey Quarterly, September 2008

2 Jantet and Jones, 'Health Care Equipment and Services: Will Quality Out?', Investec Bank plc, April 2009

3 National Statistics, GDP Growth, Q1 2009

The Government's Pre-Budget Report in December 2009 highlighted that public spending was the area where the Government had the greatest control in reducing the national debt. Health, at 30 per cent, represents the biggest share of this.

The Pre-Budget Report confirms that PCTs must plan for flat real revenue growth in allocations for the years 2011/12 and 2012/13 in their medium-term planning.

2010/11 will be the last year of significant growth for some time and it is essential that this year is used to prepare for, and start to make, the savings required in the following years.

Overall, cash savings of circa £15 to £20 billion need to be made by the NHS to fund continued increases in activity, quality and pay, non-pay and estates inflation. For the West Midlands this equates to circa £2.4 billion and for the three Birmingham PCTs some £507m over 2011 to 2014. The economic pressures on the NHS are likely to continue beyond 2014. To make these savings - whilst balancing quality, access and health improvement – is a substantial system challenge for Birmingham.

The pressure will not only fall on commissioners - in 2010/11 and for the next three years, there will be a zero per cent uplift in national tariff prices and on non-tariff contracts. The uplift in 2010/11 includes an efficiency requirement of 3.5 per cent offsetting the inflationary impacts of pay and prices and it is expected that the efficiency requirement will increase over the following three years. This pressure will greatly affect the PCTs' provider services.

Whilst the bulk of the savings will need to come from more effective commissioning, in order to maximise the resources for front line health services, the NHS Operating Framework for 2010/11 expects all PCTs to reduce management costs. Each SHA needs to meet an aggregate target reduction of 30 per cent in management and agency costs by 2013/14. There is an expectation that a minimum of 12% will be taken out over 2010/11 and that substantial progress has been made to meet the target by 2011/12.

The Operating Framework highlights the findings of the Operational Efficiency Programme (OEP) published in 2009 which established the scope for efficiency improvement across the public services in back-office functions, IT, property and collaborative procurement with an expectation that NHS organisations are imaginative in working with Local Authority and other partners.

The scale and longevity of these economic pressures on the NHS are unprecedented. They mean that the NHS will need to achieve something over the next few years which arguably it has never had to do before: simultaneously to balance activity (access), quality (and safety) and finance (as depicted in Figure 1).

Figure 1 : Improving Quality, Activity and Finances



In this context, all public sector organisations across Birmingham face significant challenges over the next five years.

2.2 Review of the Birmingham PCTs

At a meeting on 16 November 2009 between the Chief Executive of NHS West Midlands and the Chief Executives of the three PCTs, it was agreed by the PCTs to undertake a review of how best to strengthen on a sustainable basis PCT joint working and commissioning in Birmingham.

The need for a review arose out of concerns that:

- The Birmingham PCTs need to strengthen joint working in order to tackle most effectively some of the major health needs of the population of the City.
- Commissioning arrangements and relationships between the three PCTs need to be made more robust.
- There is a need to prepare for a very significant reduction in both SHA and PCT management costs over the next two years.

The SHA have suggested that strengthening of the PCTs should be undertaken as part of a change programme which:

- May require the PCTs to divest themselves of their provider responsibilities.
- Demonstrates green ratings in all areas of governance and level 3 or above ratings on at least six of the organisational competencies by the 2011 World Class Commissioning assurance framework.

It was agreed that the PCT Boards would undertake a review, to be completed by 4 January 2010, which sets out the pathway to ensure strengthened and sustainable joint working and commissioning arrangements for Birmingham.

Initially three options were suggested for consideration:

1. Do nothing - maintaining the three PCTs but with a clear view about how to achieve the core objective of better partnership working whilst reducing management costs, and meeting the WCC expectations.
2. A single management team and structure supporting the three PCT Boards – a model in place elsewhere in the country.
3. The merger of the three PCTs into a single commissioning organisation.

The SHA's view is that for options 2 and 3 to be successful, it would be essential to underpin any change programme with a robust Organisational Development plan in order to ensure that the capability and capacity of the NHS in Birmingham to respond to the QIPP challenge over the next 15 months is not damaged. Finally, it was agreed that the preferred direction of travel for PCT provider services would be indicated.

3 Process

The process followed by the review is summarised in the table below.

Table 1 : Review process

Date	Key activities and milestones
18 November 2009	Letter from the Chief Executive of NHS West Midlands to the Chief Executives of the three PCTs. South Birmingham PCT Board meeting – how to best strengthen joint commissioning was discussed.
23 November 2008	HoB tPCT Board meeting – how to best strengthen joint commissioning was discussed.
24 November 2008	HoB tPCT Board meeting – how to best strengthen joint commissioning was discussed.
25 November 2009	BEN PCT Board meeting – how to best strengthen joint commissioning was discussed.
27 November 2009	Meeting of the Chairs and Chief Executives to agree the governance and process of the review. Finnamore appointed to support the design and governance of the process up to the delivery and submission of the review paper to the Strategic Health Authority by 4 January 2010.
1 December 2009	Project initiation meeting for the review – resources identified and process agreed.
2 December 2009	First design meeting for whole system event – purpose, objectives, outcomes, critical success factors and scope defined. Information needs identified and requested. Stakeholders identified. HoB tPCT Board meeting – how to best strengthen joint commissioning was discussed.
3 December 2009	Draft long list of options and draft benefit criteria identified.
4 December 2009	Project Initiation Document and communications plans created and sign-off. Second design meeting for whole system event and progress meeting. Briefing papers and joining instructions sent out to delegates for whole system event. SB PCT Board meeting – how to best strengthen joint commissioning was discussed.
7 December 2009	Third design meeting for whole system event.

Date	Key activities and milestones
9 December 2009	Whole system event with circa 100 key stakeholders. Criteria and strongest option identified, along with issues and risks.
10 December 2009	Survey started of stakeholders who could not attend the whole system event. Short communication on the whole system event released. HoB tPCT Board meeting – how to best strengthen joint commissioning was discussed.
11 December 2009	First draft of this paper circulated to the three Birmingham PCT Chief Executives.
14 December 2009	Review of first draft of this paper with the three Birmingham PCT Chief Executives.
15 December 2009	Survey completed of stakeholders who could not attend the whole system event.
16 December 2009	Second draft of this paper circulated to the three Birmingham PCT Chief Executives. South Birmingham PCT and Birmingham East and North PCT Board meeting – how to best strengthen joint commissioning was discussed.
17 December 2009	Review of second draft of this paper with the three Birmingham PCT Chief Executives.
18 December 2009	Progress meeting. Version 1.0 of this paper circulated to the Boards of the three Birmingham PCTs, along with agenda for Extraordinary Board.
22 December 2009	Extraordinary Board meeting of the Boards of the three Birmingham PCTs, individually and together. Paper and recommended option agreed.
24 December 2009	Paper finalised in the light of feedback from the Boards and circulated to the three Birmingham PCT Chief Executives.
29 December 2009	The three Birmingham PCT Chief Executives signed-off this paper and submitted it to the SHA.
4 January 2010	Planned end date for this review.

The purpose, objectives and programme for the whole system event are shown in Appendix 1. The delegates at the whole system event are shown in Appendix 2 along with the key stakeholders who could not attend but were surveyed afterwards.

4 Case for Change

This section sets out the case for change in principle. It should be read in the context of the system challenge set out in section 2. It recognises what is working well and identifies what needs improving, under the following headings:

- Health improvement and health inequalities.
- Strategic and local perspectives.
- Clinical engagement.
- Efficiency and value.
- Governance and leadership.
- Performance.
- Sustainability and future proof.

As stated in the introduction, this document is not a business case. In a business case the case for change would be strengthened by a greater level of analysis and quantitative evidence. Having made that point, the case for change below does draw upon the experience and expertise of the circa 100 stakeholders at the whole system event and the three PCT Boards.

4.1 Health improvement and health inequalities

The 2009 Birmingham Comprehensive Area Assessment (CAA) recognised that PCTs and the Local Authority are working hard on tackling these challenges and have put in place the Birmingham Health and Wellbeing Partnership (BHWP), one of seven core partnerships in the BE Birmingham Strategic Partnership, which works to improve access and help people adopt healthier lifestyles.

However, it also concluded big challenges remain as the health of people in Birmingham is well below the England average and that infant mortality and life expectancy are considerably worse than for the country as a whole.⁴ Birmingham has 21% more deaths in the under 75 population than in England on average.⁵ There are also significant variations in health across the city with men and women in the most well off areas living 9.5 and 8 years longer respectively. High levels of deprivation are a complicating factor with 35% of people living in areas that fall into the most deprived 10% nationally.

The CAA review highlighted the need for the City to enhance joined up working to achieve significant progress. The National Support Team which visited Birmingham in 2009 to look at health inequalities, tobacco control and infant mortality acknowledged the challenges created by high levels of deprivation, the diversity of the population and the complexity of organisational structures. It concluded that there was room for improving alignment and clarity about role and responsibilities among commissioning bodies and recommended that the consistency and pace with which best practice is implemented across the three organisations should be improved. Both, PCTs and Local Authority recognise that as a result of current arrangements and processes, progress is often slowed down or blocked.

So while the issues relating to health outcomes and inequalities are widely recognised and some promising arrangements have been put in place, more synchronization of efforts is required across all organisations to tackle them. A stronger more aligned strategic perspective and fewer administrative boundaries would improve the delivery of reduced health inequalities and better health.

⁴ Birmingham Area Assessment , 2009

⁵ Tobacco Control National Support Team, Opening Plenary Session Presentation by Dr. Chris Spencer Jones

4.2 Strategic versus local perspectives

The commissioning arrangements in Birmingham need to ensure that the best possible balance is struck between a strong strategic focus and local responsiveness and sensitivity. An enhanced strategic view would improve joined-up planning and delivery, such as set out above for health improvement. It would also make partnership working with Birmingham City Council more straight forward and give the NHS in Birmingham a more coherent voice nationally. At the same time, significant variability in population characteristics and health outcomes make it imperative for commissioners to build and sustain a high degree of local responsiveness and accountability. A strong local view would improve the specificity of commissioning and alignment of services with local health needs and local cultural and demographic characteristics. This section assesses whether the current arrangements and processes strike the right balance between the strategic and local perspectives.

Health improvement and health inequalities

As discussed above, stronger strategic alignment across organisations and fewer administrative boundaries would improve the delivery of reduced health inequalities and better health. Any change needs to ensure that this will not be at the expense of local sensitivities and that the existing local focus within each of the three PCTs should be retained.

Collaborative working and commissioning

There is good practice in place that can be built on with regard to collaborative working and commissioning in Birmingham. An example of an existing formal collaborative arrangement between the three PCTs is the West Midlands Ambulance Service (WMAS) contract. Formalised arrangements have the advantage of providing clear accountability and allowing the PCTs to act effectively across organisational boundaries.

The PCTs acknowledge that there is room for further strengthening of their strategic alignment to improve coordination; streamline processes, governance and decision making; and to enhance delivery. In its report, the National Support Team drew attention to the lack of transparency of leadership arrangements in the existing organisations and the absence of a process to ensure cross-thematic working. It also needs to be ensured that collaborative commissioning is focused on areas where it is in the best interests of quality and efficiency.

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With regard to neighbouring PCTs, any change in commissioning arrangements in Birmingham will have implications for neighbouring organisations and on Solihull Care Trust and Sandwell PCT in particular. A strengthened strategic perspective could, on the one hand, reduce the number of organisations these neighbours relate with and so should streamline joint working. On the other hand a stronger strategic view would need to continue the specific partnerships between the existing PCTs. In particular important initiatives such as the *Right Care Right Here* partnership should continue to be given a high priority to ensure its continued viability and sustainability. Appendix 3 summarises the *Right Care Right Here* partnership.

On balance then, collaborative working between the PCTs in Birmingham and their neighbours would be improved through a stronger strategic approach.

Joint working and commissioning

With regard to joint working and commissioning between the three PCTs and Birmingham City Council (BCC), progress is being achieved and the development of joint commissioning arrangements for Mental Health and Learning Disabilities are good examples. The PCT Boards have concerns, however, over the need to develop joint commissioning of children's services which are recognised as an area that would strongly benefit from enhanced commissioning arrangements on a City wide basis .

A number of internal and external reviews have stressed the need to further strengthen partnership working and the level of co-terminosity to reach a point at which the organisations are sufficiently well-aligned strategically to meet the needs of Birmingham overall and at a locality level and to build on existing foundations for becoming world class commissioners. At present, the three PCTs and BCC report differing levels of engagement in existing partnerships and recognise that the large number of stakeholders often creates difficulties in achieving a unified point of view. In relation to this point, the 2010 NHS Operating Framework supports bottom-up PCT reconfiguration if it increases co-terminosity.

The Tobacco Control National Support Team stated that while a structure for partnership working across the City is in place, it is not currently achieving its full potential. Others have noted how infant mortality could be more effectively addressed through stronger partnership.

Therefore, there is a case that a stronger strategic view would improve joint working and joint commissioning with BCC. It also opens up more radical options to use the whole of public expenditure in Birmingham more effectively, for example through the Total Place programme.

Commissioner scope and strength

Overall, the three PCTs performed very well in the 2008 WCC Assurance report and were considered to be making good progress towards becoming strong commissioning organisations.

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Review of PCT joint working and commissioning in Birmingham

Nevertheless, the report highlighted many challenges facing the three commissioning organisations which would require a more joined-up strategic way of working. There are well established arrangements in a range of areas especially in commissioning more specialist services. However, historic arrangements have encouraged strong bilateral relationships between co-ordinating commissioners and acute providers which now require a new approach if there is to be a city-wide view of acute capacity.

Given the economic context commissioners need to secure substantial productivity improvements from providers, whilst ensuring quality remains the organising principle of the NHS. Across the country commissioners have historically had relatively weak purchasing power in comparison to the power of supply of large NHS providers. An arrangement that increases the purchasing power of commissioners is central to realising quality and productivity improvements from NHS providers. A strengthened strategic commissioning function could drive a joint plan for hospital capacity planning, demand management and asset utilisation that will be required to achieve notable change across the City.

Therefore, the scope and strength of commissioners would be increased through a unified strategic perspective.

PCT provider services

The PCT provider arms are substantial services in themselves (with a combined value of £256m pa) providing a wide and diverse range of services. The 2010 NHS Operating framework confirmed expectations that PCTs will have moved to become commissioning-only organisations by April 2011. All three PCTs are in favour of developing a dedicated NHS community services organisation in the City, to ensure continuity and resilience of services during a period of change; to develop as a centre of excellence for community services; and as a foundation for effective demand management. However, each PCT is currently making separate plans for community services. An integrated strategic view across all PCT provider services would enable a coherent approach for these services, including decisions as to their future home, and would avoid inconsistent or conflicting plans.

Conclusion

To conclude this section on strategic versus local perspectives, there is a case that strengthening joint and collaborative commissioning would benefit health improvement and reduction of health inequalities; improve working between public bodies; make commissioners more strategic and give them more purchasing power; and would improve the management of the future of PCT provider services.

4.3 Clinical leadership

At present, all Birmingham PCTs have strong structures in place for clinical involvement, leadership and decision making; including Professional Executive Committees and Practice Based Commissioning groups. Some clinical entities are organised on a Birmingham-wide basis, such as the Birmingham Local Medical Committee, the Birmingham Local Dental Committee and the Birmingham Local Pharmaceutical Committee. Some clinical training is arranged at a Birmingham level and many acute sector clinicians serve the whole City, or large parts of it.

There is, however, evidence of considerable variability in capacity and capability of primary care services in Birmingham with implications for health outcomes and equality. At the moment, all three Birmingham PCTs have a role in and responsibility for commissioning primary care services in Birmingham. A more unified strategic focus in dealing with the primary care sector could help to strengthen performance and outcomes in this area.

As a result of having three different commissioning organisations, Birmingham also currently has three different models of practiced-based commissioning. There is thus a real danger that these may become increasingly non-aligned over time rendering effective performance and outcomes management of the acute sector more difficult. It also should be recognised that there are a variety of models of engagement and that practice-based commissioning groups are only one of them. Other mechanisms to provide strategic leadership and input include engagement through executive committees and the diversity of senior clinical roles.

Hence, any recommended solution needs to continue to support clinicians; preserve, strengthen and further develop clinical engagement with Primary Care; offer sufficient flexibility to align different conceptual models of clinical commissioning; and consider all available options for clinical leadership, decision making and involvement.

Strengthening strategic commissioning has the potential to contribute to improved clinical leadership.

4.4 Efficiency and value

As set out in section 2, the scale and longevity of economic pressures on the NHS mean that the NHS will need to achieve something over the next few years which arguably it has never had to do before: simultaneously to balance and significantly improve activity (access), quality (and safety) and finance. The NHS will have to reduce costs whilst maintaining, or improving, service standards and quality. The level of improvement required is substantial. The three Birmingham PCTs need to deliver £507m of cash savings over 2011 to 2014, to fund continued increases in activity, quality and pay, non-pay and estates inflation.

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Innovation, both invention and the spread of best practice, is central to concurrently improving quality and productivity. However, it is also probable that achieving such levels of productivity gain will only be possible if the NHS thinks and acts on a more macro scale, achieving the transformation of systems and processes not possible at a more micro level. It is the combination, then, of innovation and scale that can make substantial improvements possible.

Commissioner scope and strength

Despite significant investments and the development of strategies to control and reduce acute sector spend, achieving reductions in acute capacity remains a challenge for PCTs across the City. Arrangements facilitating stronger joint and collaborative commissioning are required to secure productivity improvements from large acute providers, whilst maintaining – or improving – quality and access. This is because combined commissioning arrangements would result in greater purchasing power; wider scope to manage the market; the ability to take a more strategic perspective across the City and greater scope to invest in innovation.

Cost savings

As set out in section 2, there is a need to prepare for a very significant reduction in both SHA and PCT costs, including management costs. The 2010 NHS Operating Framework sets out an ambition for a total saving of £507m over three years from 2011/12 for the three PCTs.

Table 2 : Approximate savings target by PCT

PCT	Saving target 2010/11	Saving target 2011/12	Saving target 2012/13	Total saving target
	£000	£000	£000	£000
HoB tPCT	£24,709	£49,418	£74,127	£148,254
SB PCT	£27,798	£55,596	£83,394	£166,788
BEN PCT	£31,929	£63,858	£95,787	£191,574
Total savings	£84,436	£168,872	£253,308	£506,616

Any recommended change to commissioning arrangements in Birmingham needs to enable this reduction in costs to be achieved. This can be delivered through greater commissioner strength and scope as outlined and above – particularly with regard to the acute sector - as well as through other means, as set out below.

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Economies of scale by combining similar activities

In addition to management costs, costs per unit can be reduced by combining similar administrative, technology, informatics and operational activities. For instance, the cost of compliance with the World Class Commissioning assurance framework is significant for NHS commissioners and consolidation of these functions could give significant savings. There will be very many savings that could be obtained through economies of scale.

Reduced contracting costs

Contracting with suppliers and providers incurs significant direct costs, such as the costs of negotiating, drawing up contracts, financial transfers and so on. Strengthened strategic commissioning could reduce the number of contracting entities and number of contracts, leading to potential savings.

Outsourcing of non-core services

Although the NHS has engaged in some outsourcing (for example financial services), it has made little progress compared to central government or the private sector. This is largely because services are organised and provided at sub-scale level by each and every NHS organisation. Improved commissioning arrangements could enable services to be combined at a scale sufficient to attract the interest of experienced outsourcing providers, driving quality up and unit costs down.

Supply chain savings

Improved commissioning arrangements could be geared towards increasing bargaining power with suppliers (as distinct from its providers) and should be able to realise supply chain savings. This could apply to all suppliers, such as suppliers of informatics and outsourcers.

Training and development

Improved commissioning arrangements could enable both economies of scale and a higher degree of specialisation across its training and development programmes. This in turn could attract more talent.

More robust financial position

Strengthened strategic commissioning in Birmingham could create a larger risk pool and a stronger financial position, which could be much better placed to withstand the projected economic pressures.

Conclusion

In conclusion of this section on efficiency and value, there is a case that strengthening the strategic commissioning focus would give commissioners more purchasing power and improve their ability to manage the market; would enable a range of economies of scale to be realised, thereby reducing management costs and other costs; would give a more robust financial position; and could give the scale and focus to drive innovation.

4.5 Governance and leadership

The existing three PCTs in Birmingham are nationally recognised as having strong leadership and robust governance. This track record could be built upon and new commissioning arrangements could retain and attract very high calibre leaders, clinicians and managers. A stronger strategic perspective would also give the NHS in Birmingham a more coherent voice nationally.

Better commissioning arrangements could make it easier to disseminate knowledge and best practice across a wider group of people, thereby driving up quality.

4.6 Performance

Any potential future organisational arrangement needs to ensure that it builds on the PCTs' current commissioning strengths and offers a platform for learning, sharing experiences and leveraging strengths in areas where performance is currently mixed.

Some knowledge and know-how is difficult to codify and transfer. This knowledge and the capabilities resulting from it may be valuable but difficult to disseminate externally because they are wrapped up in the management systems, routines and culture of an organisation. A unified commissioning view will help to exploit such capabilities as a way to leverage these 'wrapped up' capabilities.

The table below shows the three PCTs' performance in the 2008 WCC Assurance Assessment.

Table 3 : WCC competencies performance

No	Competencies	SB	BEN	HoB
1	Locally lead the NHS	2	3	3
2	Work with community partners	2	2	2
3	Engage with public and patients	2	2	2
4	Collaborate with clinicians	2	3	2
5	Manage knowledge and assess needs	2	2	2
6	Prioritise investment	2	2	2

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No	Competencies	SB	BEN	HoB
7	Stimulate market	1	2	2
8	Promote improvement and innovation	2	3	2
9	Secure procurement skills	1	2	2
10	Manage the local health system	2	2	2

An analysis of the PCTs’ performance against the WCC competencies highlights that the three Birmingham PCTs share many areas of strength and that significant overlap exists in terms of improvement areas and required actions. In these common areas for development, combining and coordinating the performance improvement could make it more effective and efficient. There are also some competency areas where PCT performance is different with some PCTs being more, or less, advanced than the others. In these areas, the strength of one commissioning team could be harnessed to help improvements across the City.

Improved commissioning arrangements in Birmingham could help to reap economies of scale and learning, leverage experience and knowledge and strengthen organisational capabilities benefitting all three areas served by the current PCTs and the population in Birmingham as a whole.

4.7 Sustainability and future proof

If new commissioning arrangements realise the benefits implied in the case for change set out above in terms of health improvement and inequalities; a strategic perspective; clinical leadership; efficiency and value; governance and leadership; and performance then it will be sustainable and future proof because it will create significant value for taxpayers, patients and stakeholders. In particular enhanced commissioning arrangements are likely to be more sustainable and future proof than the current arrangements because:

- They would be better placed to respond to the economic challenges over the coming years.
- They would be co-terminous with BCC and would enable innovation and productivity across the wider public sector.
- There have, of course, been different commissioning arrangements in the form of a Birmingham wide commissioning organisation before, the Birmingham Health Authority. It is understood that this was a sustainable and robust organisation, and it changed because of Government policy to introduce Primary Care Groups.

4.8 Conclusion

It is evident that there is a case for changing the current organisational arrangements of PCTs in Birmingham. A well planned structural solution encouraging partnership working has the potential to alleviate some of Birmingham's most pressing challenges. It can contribute to turning Birmingham into a city with better and more equal health outcomes and a higher quality of life. A new configuration will offer the opportunity to build an integrated approach to managing health care across organisational boundaries and to promote quality and value for money in healthcare. In a new more austere economic climate, it will empower PCTs to make the necessary cost improvements while focusing on becoming the best commissioners possible for their populations.

This section has set out the case for change in principle. This case for change can be further developed as part of a business case, including more detailed analysis and quantitative evidence.

Assessment of Options

Review of PCT joint working and commissioning in Birmingham

5 Assessment of Options

This section summarises the option appraisal of joint working and commissioning arrangements for Birmingham.

5.1 Long list of options

A long list of options was identified, as shown in Table 4 below.

Table 4 : Long List of Options

Option	Description
1 Do nothing	To really do nothing. This is the baseline position.
2 Enhance existing arrangements	No structural change, but heightened collaboration and reduction of management costs by 30%.
3a Three to two PCTs – combined management teams 3a) i) BEN and HoB 3a) ii) BEN and South 3a) iii) HoB and South	To retain the three Birmingham PCT Boards but to combine the management teams of two of the Birmingham PCTs.
3b Three to two PCTs – full merger 3b) i) BEN and HoB 3b) ii) BEN and South 3b) iii) HoB and South	To merge two of the Birmingham PCTs to give two PCTs in Birmingham.
4a Three to one - one combined management team	To retain three PCT Boards but to combine the management teams of the three PCTs.
4b Three to one - one Birmingham PCT	To merge the three Birmingham PCTs.
5a Two Birmingham and Sandwell PCT management teams	To retain the three Birmingham PCT and Sandwell PCT Boards but to combine the four management teams into two management teams.
5b Two Birmingham and Sandwell PCTs	To the four PCTs to create two PCTs for Birmingham and Sandwell.
6 One Birmingham and Sandwell PCT	To merge the three Birmingham PCTs and Sandwell PCT.
7 One Birmingham, Sandwell and Solihull PCT	To merge the three Birmingham PCTs, Sandwell PCT and Solihull Care Trust.

Assessment of Options

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5.2 Constraints

It was agreed that the option appraisal process should consider only those options that relate to the configuration of PCTs and commissioning in Birmingham. This is because the purpose of this review, as set out by the SHA and accepted by the three PCT Boards, is to consider the joint working and commissioning arrangements in Birmingham. Moreover, it would be inappropriate to consider wider options without the agreement and involvement of the relevant statutory bodies. Furthermore, the NHS Operating Framework supports co-terminosity between PCTs and Local Authorities. The options on the long list above that involve Sandwell and Solihull PCTs are not compliant with this constraint and were therefore removed from the long list to create the short list of options.

5.3 Short list of options

The short list of options that was used in the whole system event is shown below. In addition to the removal of options 5a) to 7); options 3a) and 3b) were made simpler for the event by the removal of their sub-options. If either of these were chosen as the recommended option, then the specific combination would have also been determined.

Table 5 : Short List of Options

Option	Description
1 Do nothing	To really do nothing. This is the baseline position.
2 Enhance existing arrangements	No structural change, but heightened collaboration and reduction of management costs by 30%.
3a Three to two PCTs – combined management teams	To retain the three Birmingham PCT Boards but to combine the management teams of two of the Birmingham PCTs.
3b Three to two PCTs – full merger	To merge two of the Birmingham PCTs to give two PCTs in Birmingham.
4a Three to one - one combined management team	To retain three PCT Boards but to combine the management teams of the three PCTs.
4b Three to one - one Birmingham PCT	To merge the three Birmingham PCTs.

Assessment of Options

Review of PCT joint working and commissioning in Birmingham

5.4 Benefit criteria

The benefits criteria identified are set out below. These include the benefits criteria identified at the whole system event and reflect the case for change.

Table 6 : Benefit Criteria

Benefit Criteria	Possible Measures
<p>1 Health improvement and health inequalities</p> <p>Including the ability to execute agreed plans and actions in a consistent, but locally sensitive, way across the City.</p>	<ul style="list-style-type: none"> • Life expectancy • Quality of life • Inequality of health • Infant mortality
<p>2 Strategic and local perspectives</p> <ul style="list-style-type: none"> • Joined-up working and relationships between the PCTs. • Joint working and relationships with the Local Authority. • Joined-up working with neighbouring organisations • Ability to take a whole City perspective. • Local responsiveness, participation and ownership. • Addresses diversity and local needs. • Effective maintenance of partnerships outside Birmingham. • Strong, distinctive but consistent communication and engagement with the many communities within Birmingham. 	<ul style="list-style-type: none"> • Consistency (vision, strategy, plans, style and approach) • Simplicity • Single (or few) point(s) of contact • Becoming co-terminous • Locality focus • Manageable size • Span of control • Devolution verses delegation
<p>3 Clinical leadership</p> <ul style="list-style-type: none"> • Including the ability to make clinical commissioning effective. • Maintenance of a strong protected learning and development structure. 	<ul style="list-style-type: none"> • GP engagement and GPs involved in commissioning • Clinicians involved in decision making
<p>4 Efficiency and value</p> <ul style="list-style-type: none"> • There is zero real growth in funding from 2011/12. • Delivery of £507million savings in Birmingham. • Ability to secure improvements from NHS Providers (technical efficiencies). • Ability to move services into lower acuity settings (allocative efficiencies). 	<ul style="list-style-type: none"> • Cash releasing savings • Economies of scale • Management costs • Buying strength • Lean processes • Relative size of acute and

Assessment of Options

Review of PCT joint working and commissioning in Birmingham

Benefit Criteria	Possible Measures
<ul style="list-style-type: none"> Ability to deliver 30% reduction in PCT management costs over four years. 	<ul style="list-style-type: none"> non-acute sectors
<p>5 Governance and leadership</p> <ul style="list-style-type: none"> Provides good governance and strong leadership. Enables cultural and behaviour change. Leads Birmingham on the national stage. More efficient governance that also enables more efficient and effective management. Provides accountability to local people. 	<ul style="list-style-type: none"> Attraction and retention of talented people Due processes verses pace of change Organisational integration 30% improvement in management productivity
<p>6 Performance</p> <ul style="list-style-type: none"> To maintain current performance. To improve performance to achieve in 2011 WCC framework green in all areas of governance and level 3 or above in all organisational competencies. 	<ul style="list-style-type: none"> Focus versus distraction WCC assurance framework performance Performance over time
<p>7 Sustainable and future proof</p> <ul style="list-style-type: none"> The ability to withstand changes in government policy, financial changes, management and cost savings, and clinical practice. 	<ul style="list-style-type: none"> Longevity of new arrangements

Birmingham City Council has set out the principles in Appendix 4 as the criteria by which they would assess the future configuration of PCTs in Birmingham.

5.5 Assessment of short list options

The short listed options were assessed against the benefit criteria at the whole system event. Each option was ranked and then scored, out of ten, against each criterion. This was done in groups and the scores were then combined. This process assessed the likelihood of each option to deliver the benefit criteria and is summarised below.

Each benefit criteria is taken in turn. The key benefits in addressing the case for change are explained in terms of the three options that received the greatest support from stakeholders:

- Enhance existing arrangements.
- Reducing three PCTs to two PCTs.
- Full merger from three PCTs to one PCT.

Assessment of Options

Review of PCT joint working and commissioning in Birmingham

This section is informed by the points raised by participants at the whole system event. Each criterion was considered by three groups of participants at the event. Their conclusions are discussed below (details of scoring are given at Appendix 5).

Health improvement and health inequalities

There was a clear desire at the whole system event to reduce the “stark and unacceptable inequalities in health and quality of services across the City and to achieve improved health outcomes comparable to the best in the country”.

All three options could deliver “a radical shift to involve people more in improving their own health and care and to enhance a focus on the prevention of disease”. Their respective ability to do this is related to the criterion of strategic and local perspectives below.

The full merger option was rated highest by two of the three groups considering this criterion. The option to merge to form a single Birmingham PCT might be more likely to:

- Enhance capacity to tackle health inequalities in all areas of the City.
- Join up City-wide strategic priorities that are tailored to local population specific needs.
- Engage the wider determinants of health (education, transport, housing, employment).

A single PCT could provide the technical capacity, commissioning weight and collective experience to address health inequality providing a local focus is maintained and that needs assessment is undertaken at the appropriate level. There is an underlying commonality in the key health priorities and the ability to work at a strategic level with the local authority, major housing providers and employment initiatives is important.

Strategic and local perspectives

Participants felt that arrangements must:

- Reflect the needs of the different communities in the governance arrangements.
- Get the right balance between City-wide and local focus, driven by the needs of the population and underpinned by collaborative working.
- Be sensitive to diversity and local needs through excellent partnership working.

Whilst the Enhance existing arrangements option and to a lesser extent reducing three PCTs to two PCTs were seen to enhance community engagement and maintain a local focus, all three groups considering this criterion gave the highest scores to the full merger option. It could be argued that the option to merge three PCTs to one PCT:

- Achieves a balance between strategic consistency and local responsiveness and ownership, providing accountability to opportunities for participation.

Assessment of Options

Review of PCT joint working and commissioning in Birmingham

- Enables a clear vision for health care and social care for the City which establishes clear accountabilities.
- Enhances local partnerships to address the wider well-being agenda.
- Creates a strong strategic commissioning function with a focus on the City as a whole, its many parts and the sum of its parts.

Clinical engagement

Participants prioritised the following objectives for clinical engagement and clinically led commissioning:

- To continue to develop clinical quality via effective clinical leadership that enables the transition between primary and secondary care.
- To improve clinical commissioning .
- To retain local focus and clinical leadership.

This tended to favour the choice of the Enhance existing arrangements option (two groups scored this option the highest) although it was accepted that this emphasis could also be achieved through the single PCT option or through combined PCT management.

A single PCT could still deliver the required clinical engagement at a local level providing existing clinical commissioning arrangements are maintained and commissioning responsibility is devolved appropriately. In time, this will also help to address local inequalities and issues. Consideration will need to be given in designing the PCT structure to the role of the PEC and a potential local PEC whilst avoiding unnecessary duplication. A single PCT could potentially enhance the clinical engagement of acute clinicians.

Efficiency and value

The three groups considering this criterion gave their highest scores to the full merger. This was seen as the best way of achieving efficiency and value:

- Making best use of the public and estates and equipment and skills and meeting the challenge of the new financial environment.
- Using resources more efficiently and re-engineering services and systems and reducing management costs by at least 30%.
- There was also a view that this would strengthen the ability of commissioners to transfer more activity to the community on the assumption that this would be a more effective use of resources.

The savings and efficiencies in commissioning will only be achieved through the stronger negotiating position and a wider management of the market that a single PCT will provide.

Assessment of Options

Review of PCT joint working and commissioning in Birmingham

Whilst the transfer of activity to community settings is essentially a local response, the sharing of expertise on a City-wide basis and the strategic planning required to ensure that remaining acute services are viable and sustainable demands a City-wide approach.

The efficiencies required to meet the management savings target can be achieved through a rationalisation of structures, a removal of duplication and greater scale economies in support functions.

Governance and leadership

Expectations were raised for an environment that:

- Gives brave, decisive and accountable leadership that enables Birmingham to punch its weight as a big player on the national scene; prepared to take risks and make difficult decisions about decommissioning; builds on the strengths of previous organisations.
- Improves the Governance of partnership working across health and social care.
- Provides good governance and strong leadership.
- Creates a Birmingham without boundaries – “Total Place” making best use of all resources.

These were generally felt to be more achievable with the full merger option although one group did not feel that there was much distinction between options.

The leadership required in a complex city and with major acute players to work with supports the need for coherent organisation, albeit with close contact with partners on the ground and effective devolution of responsibility where this is appropriate. There are major requirements for cultural change across the City and the change management process will be demanding. A leadership structure in line with a single organisational identity, common values and goals may be more able to facilitate the necessary change than a continuation of existing organisations or by reducing the number of PCTs to two.

Performance

Participants felt that the organisation requirements needed to:

- Result in a unified commissioning approach, is based on needs analysis, promotes innovation, factors in the practical value partners can bring and leads to effective and integrated service-delivery in local areas.
- Have a strategic approach to managing the whole health economy, focussed on Birmingham and paying attention to neighbours through evidence based commissioning which supports innovation.
- Use evidence based best practice to drive changes in commissioning plans between primary and secondary care to achieve value.
- Provide appropriate incentives to deliver effective commissioning.

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Review of PCT joint working and commissioning in Birmingham

- Create World Class Commissioning and a robust Community provider with local involvement.

All three groups considering this criterion gave their highest scores to the full merger option but with similar scoring for the Three to Two option.

Setting effective and meaningful strategic performance targets and levels requires a unified approach in relation to:

- Large and powerful providers.
- Reducing inequalities of service provision at a local level.
- Addressing performance issues from legacy PCT providers.
- Managing the market, encouraging new entrants and ensuring a controlled diversity of provision.

This is likely to be more achievable through a single organisation which would also be the means for providing the necessary capacity at a technical level without duplication.

Sustainability and future proof

There was significant concern about the timing in considering future arrangements for commissioning, given the approaching general election and associated policy uncertainty. However, most parties noted that given the economic environment, any government would face a consistent challenge in managing public sector finance and costs. In this context, the most sustainable option was identified as a single PCT as this would minimise the management overhead.

Future sustainability is also based on being seen to deliver:

- The required robust commissioning with realisable outcomes and recognisable improvement in health and well being.
- A significant reduction in transaction costs whilst not compromising the robustness of commissioning and effective procurement.
- Effective strategic planning with City-wide partners (especially the Local Authority) to address inequalities in health and wellbeing.

These factors, along with reduced management overheads, clearly support a single commissioning organisation as the most sustainable option.

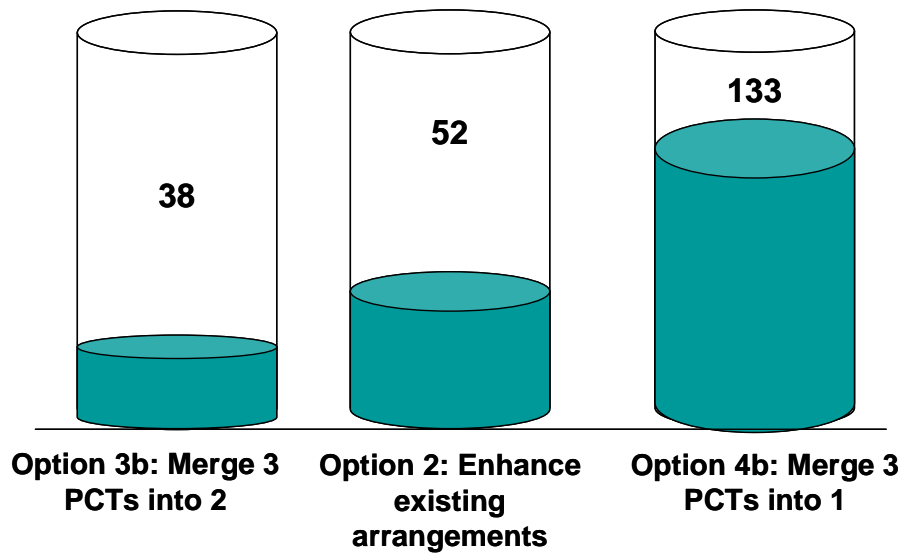
5.6 Strongest option

Based upon the option appraisal process outlined above option 4b) - for the three existing Birmingham PCTs to merge into one PCT for Birmingham - was assessed as the strongest option. This option received more scores, by an order of magnitude, than any other option as shown in Figure 2.

Assessment of Options

Review of PCT joint working and commissioning in Birmingham

Figure 2 : Scores for the three highest scoring options at the whole system event



This section has set out the option appraisal of joint working and commissioning arrangements for Birmingham.

This forms the basis for developing a robust business case that would weight the criteria and include a financial assessment of the options. The Boards believe that the criteria used in this initial exercise need to be expanded to include public and patient involvement as a further benefit criterion.

The outcome of the business case would then form the basis for a formal public consultation exercise.

6 PCT Provider services

The focus of this review and option appraisal has been on strengthening commissioning in Birmingham. However, it is important to consider the future of PCT provision of Community Health Services. Each PCT has already been engaged in developing service contestability and readiness for alternative organisational forms. The Operating Framework reiterates the requirement for agreeing proposals for the future shape of community services by March 2010 with implementation by March 2011.

South Birmingham is a Community Foundation Trust (CFT) pilot site and planning, including the development of the Long Term Financial Model, is at an advanced stage. There is now a tight timeframe for South Birmingham's provider services to move through the process to become a NHS Trust. Guidance on the process to achieve this is expected within the next two weeks. This will require their operation as an NHS Trust as soon as practically possible.

The three PCT Boards welcome and support the development of a dedicated Community Health Services NHS organisation in the city from South Birmingham's provider services.

Services operated by the three PCTs are not homogeneous including a tertiary dental hospital, a hospice and community nursing, and further work will be undertaken through 2010/11 to confirm the future scope and content of services which will sit within the new NHS Trust.

NHS BEN and HoB tPCT also currently deliver a range of Community Health Services. These are being considered on a 'service line' basis to assess contestability and future best fit. Given the diversity of services under consideration, in addition to future inclusion within a CHS NHS Trust, this could variously include vertical integration, either with primary or secondary care; development as a social enterprise; or horizontal integration with Birmingham City Council services, or with a third sector business. The PCTs will conduct option appraisals and make recommendations by the end of March 2010.

7 Risk Assessment

7.1 Introduction

At the whole system event, a number of risks associated with the strongest option were identified. Participants were also asked about their confidence in an option being the best one and what it would take to increase their confidence in an option. Those invited but unable to attend the event, were subsequently asked the same questions in a web-based survey and those replies received by 16 December 2009 have also been taken into account.

Very few participants/respondents felt that there was little or nothing that could be done or said that would make them feel more confident about the proposal to merge three PCTs into one organisation.

A number of key risk themes emerged. Addressing these themes will serve to strengthen stakeholders' confidence in the strongest option and this should be a priority for any engagement and communications strategy in preparation for consultation and implementation. These themes also form a good basis to developing a programme risk analysis.

Themes identified are:

- Organisation and management culture and leadership.
- Size and local identify and focus.
- Scale and pace of change.
- Engagement, including clinical engagement.
- Disruption and transition issues.
- An understanding of the benefits to be delivered.

These are set out in more detail below. On each diagram is an indication of the proportion of those making comments who regarded themselves as "more confident" that the strongest option was the best one and those who regarded themselves as "less confident". For each set of issues, a required response from the PCTs is given. These will form the basis of mitigating actions as the risk analysis is developed.

Comments suggest that reactions and feelings of confidence are affected by these connected cornerstones:

- Perceptions of past experience.
- The things that are valued ("what we are proud of").
- People's ambitions and hopes for Birmingham.
- A strong understanding of what is needed for health and wellbeing, particularly on a more local basis.

- In taking forward strengthened joint working and commissioning the three PCTs must build on an understanding of these underpinning factors.

7.2 What would make stakeholders more confident?

Organisation/management culture and leadership

Proportion of those raising issues who were



More confident

Less confident

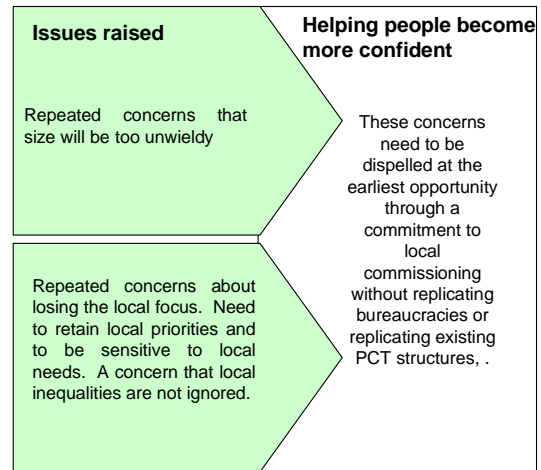
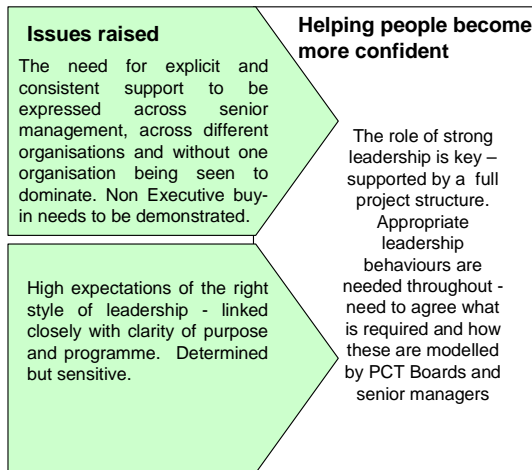
Size and local identity focus

Proportion of those raising issues who were



More confident

Less confident



Scale and pace of change

Proportion of those raising issues who were



More confident

Less confident

Issues raised

Concern about the hurdles that will need to be overcome in a short time and not just within one locality but across the whole City. These views tended to be expressed by those with less confidence in the recommended option..

Helping people become more confident

PCTs will need to consider whether any interim arrangements are put in place very carefully to be sure that they will develop to deliver what is required.

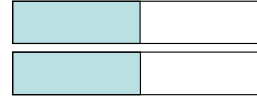
Pressure for a staged approach will arise.

Project plans will need to be clear of milestones and realistic in what can be achieved in Year 1.

Consultation and engagement is important but direction will be needed and local responses need to be within a consistent PCT wide framework

Engagement including clinical engagement

Proportion of those raising issues who were



More confident

Less confident

Issues raised

Much pressure to involve local service users in consultation. Linked with the need to continue to develop a local focus and to commissioning responds to local needs.

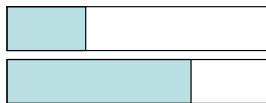
Helping people become more confident

Formal clinical engagement is essential at an early stage, either through existing fora or through new opportunities especially that bring together more mixed groups likely to be involved in pathways within local communities.

More clinical engagement advocated - this was a concern of those who were more confident of the recommended option

Disruption and transition issues

Proportion of those raising issues



More confident

Less confident

Issues raised

Fear that the organisation will be too big and take too long to create its identity and performance and care will suffer.

Helping people become more confident

Clear agreement on transitional arrangements needed - essential that transitional arrangements maintain momentum of existing work and initiatives providing these are things that should still be commissioned.

Feeling that the disruption that will occur will have a big impact on initiatives to reduce inequalities and other innovative programmes. People foresee delays in decision-making and a loss of momentum as arrangements change.

An understanding of the benefits to be delivered

Proportion of those raising issues



More confident

Less confident

Issues raised

If this is the best chance for improving outcomes, efficiency, achieving the greatest use of our resources then the evidence base must be very clear

Helping people become more confident

Great emphasis must be placed on presenting the case for change and the underpinning evidence.

More information about the implications for patients. What does strengthened commissioning mean for patients?

At every stage of the implementation it must be clear why this is of benefit to the people of Birmingham. Reassurance is needed that the innovation that has been shown to deliver in the past will still flourish.

7.3 Developing a response at an early stage

The PCT Chief Executives will need to ensure that these themes are quickly addressed in the ongoing engagement with stakeholders and that this is prioritised early on in the programme. This will ensure that stakeholders' confidence in the strongest option will increase over the course of the programmes. As stakeholders become more confident, their ability to contribute positively to implementation will be enhanced.

8 Future Programme

8.1 The context

The public sector now faces unprecedented challenges in terms of the scale and longevity of economic pressures translating into large budget pressures for the NHS. Over the coming years, all NHS organisations will need to balance carefully and reinforce the triangle of activity (access), quality (and safety) and finance while simultaneously delivering the large scale cost savings specified in the NHS Operating Framework. There are important discussions to be conducted to agree a way forward within and between the three PCTs and with WMSHA.

8.2 Key principles

In the light of a clear sense of direction expressed towards a single PCT for Birmingham, the three PCT Boards have considered the principles that would need to underpin the process of developing a new commissioning organisation in the city.

The Boards have emphasised that due process in implementing structural changes must be followed, including scheduling a public consultation exercise, taking into account the timing of the General Election. As a basis for public consultation, the case for change must be demonstrated, based on a systematically conducted option appraisal with weighted criteria. This appraisal will refer to the best evidence available in comparing a single PCT option with an option of enhanced collaboration across three PCTs.

In implementing these changes the following agreed principles should be applied:

1. **A single PCT will be a new organisation and not a merger.** The PCTs must move forward as quickly as is realistically possible to determine collectively a process to design a new organisation and to implement necessary changes.
2. **A strategy for the city is required,** considering the interface with neighbouring organisations, responsiveness to local need and opportunities for a single approach across health and social care. This should provide a framework for the design of the new organisation.
3. **New arrangements must be lean and efficient** and show a significant reduction in management costs and improved productivity. They must make the most effective use of management talent across existing organisations.
4. **Risks need to be recognised and managed appropriately.** Existing organisations still need to sustain and improve performance during the period of change.
5. **An agreed system of interim governance should be implemented** that respects the statutory responsibilities of each PCT and which builds alignment of strategy and approach, minimises on-costs and makes best use of current resources.

6. **The process should maximise the opportunities for the even-handed involvement of all key stakeholders**, including patients and the public and clinical constituencies. In supporting effective partnership and promoting collaborative behaviours, a priority is building the relationship with Birmingham City Council (BCC).
7. **The window of opportunity provided by the 2010 NHS Operating Framework should be used** to develop a provider programme that enables South Birmingham to rapidly deliver NHS Trust status and to identify future arrangements for provision of the rest of £100m plus Community Health Services in the city, in discussion with BCC and other stakeholders.
8. **To make early and full use of the role of the SHA as system managers** and the guardian of proper and effective change processes.

Whilst the robust option appraisal and formal consultation is being undertaken, in order to determine the final agreed organisational form, the three PCTs will need to be able to demonstrate early progress in taking forward:

- A review of acute capacity across the three PCTs.
- Action on addressing health inequalities, including through the Health and Wellbeing Executive.
- Developing the most effective joint commissioning of children's services.
- Further developing the joint commissioning of mental health and learning disabilities services.

8.3 Areas to be agreed

There are a number of challenging areas which require further discussion between PCTs and with the SHA to agree the detail of the way forward. They include:

- How each PCT can retain clear strong leadership during the period of change.
- The issue of appointing an interim CEO for Heart of Birmingham when the vacancy arises in April 2010.
- The option of introducing a Programme Director.
- The options for creating greater unity of leadership and decision making from January 2010.
- The process and timing of how a strategy for the city is developed

9 Recommendations

The Boards of the three Birmingham PCTs recommend that:

- The recommended option is for one commissioning organisation for the NHS in Birmingham. On the basis that the detail and evidence is further developed for this option.
- This option is developed in line with the proposed principles set out in section 8 of this document.

Purpose, outcomes and programme of the whole system event

Review of PCT joint working and commissioning in Birmingham

Appendix 1 Purpose, outcomes and programme of the whole system event

Purpose

To provide an opportunity for PCTs and key stakeholders to come together and assess options for strengthening joint working and commissioning and how we collectively serve the people of Birmingham. In particular, to consider how to:

- Balance the strategic, system-wide focus with the local focus.
- Face significant changes in finances both nationally and locally.
- Ensure we are going forward, making the most of all our resources and increasing productivity.
- Rolling out services and good practice quicker and more efficiently.

Outcomes:

1. Reality check

- Clear about the scope of the review and what our solution needs to resolve
- Clear on the challenges and constraints - perceived and real.
- An understanding of the current situation, what works and does not work at all levels – local, neighbourhood, ward, City and West Midlands.
- Have stakeholders' views on the situation.

2. Criteria and options

- Understand emerging criteria for judging direction of travel and assessing options.
- Consider the options for configuration of PCTs in Birmingham, paying due attention to the relationships with neighbouring PCTs and partners.
- Clear on the collective view that is emerging, extending beyond the three Boards and a sense of whether there is a recommended option.

3. Alignment and confidence

- Even greater commitment and confidence in:
- Addressing health inequalities and health improvement.
- Reducing management costs.
- Improving partnership working.
- Meeting World Class Commissioning expectations.
- All stakeholders have a better self awareness and understanding of their role in making it work.

Purpose, outcomes and programme of the whole system event

Review of PCT joint working and commissioning in Birmingham

- In a position to actively support each other through a challenging period of change.
- People in a position where they are champions/promoting the process and emerging option/direction.

Programme:

8:30 Registration and refreshments

9:00 Welcome and Introduction

Current state – the view from our organisational perspectives

Purpose:

To build a shared understanding of the current situation and hopes and fears for the future of our health system.

Future state – themes to which we should pay attention

Purpose:

To identify the common themes that we need to address in setting ourselves up for success.

Criteria and constraints for the future

Purpose:

To build consensus on the underpinning criteria that we will use to assess our options for the future.

12.40 Lunch

1.25 Options Assessment

Purpose:

To assess options against our agreed criteria and build a shared understanding of the emerging direction of travel.

Reflections: the view from our organisational perspectives

Purpose:

To give each PCT and stakeholder groups an opportunity to reflect on, and discuss, what they have heard during the day.

Closing comments and next steps

Purpose:

To draw out the main messages from the day, and to confirm the way forward and next steps.

4.00 Close

Stakeholder attendance list

Review of PCT joint working and commissioning in Birmingham

Appendix 2 Stakeholder attendance list

Table 7 : Stakeholders that participated

Name	Organisation
Andrew Donald	Birmingham East and North PCT
Alan Lotinga	Birmingham Health Well-being Partnership
Annette Hearnden	Birmingham East and North PCT
Brian Carr	BVSC
Caroline Nolan	Birmingham East and North PCT
Charles Zuckerman	Birmingham LMC
Dr Chris Spencer-Jones	South Birmingham PCT
Dr Christine Parkinson	South Birmingham PCT
Claire Molloy	Solihull Care Trust
Prof David Cox OBE	South Birmingham PCT
Cllr Deirdre Alden	Birmingham City Council
Denise Price	South Birmingham PCT
Dr Diane Reeves/or deputy	South Birmingham PCT
Richard Nugent	Sandwell Primary Care Trust
Doug Round	Right Care Org
Doug Wulff	Birmingham East and North PCT
Dr Steve Gabriel	South Birmingham PCT
Mukesh Bhardwaj	South Birmingham PCT
Ross Bryson	South Birmingham PCT
Gareth Hyland	Royal Orthopaedic Hospital NHS Trust
Dr Gavin Ralston	South Birmingham PCT
Bob Dredge	Heart of Birmingham tPCT
Dr Barry Henley	Heart of Birmingham tPCT
Mr Faraz Yousufzai	Heart of Birmingham tPCT
Sir David Winkley	Heart of Birmingham tPCT
Dr Hugh Rayner	Heart of England Foundation Trust
Ian Buckley	South Birmingham Community Health
Dr Jacky Chambers	Heart of Birmingham tPCT

Stakeholder attendance list

Review of PCT joint working and commissioning in Birmingham

Name	Organisation
Jan Chadaj	Shared Services
Sunil Kotcha	Solihull Care Trust
Jason Lowther	Birmingham City Council
Jayne Dunn	Sandwell & West Birmingham Hospitals
Jenni Ord	Solihull Care Trust
Jenny Drew	Birmingham City Council
John Barnes	PPI Forum South Birmingham
Jim Mcmanus	Birmingham Health Well-being Partnership
John Adler	Sandwell & West Birmingham Hospitals
Jon Tomlinson	Birmingham City Council
Jonathan Tringham	Birmingham East and North PCT
Glynis Markham	BSMHT
Julie Moore	University Hospitals Birmingham NHS Foundation Trust
Les Williams	Sandwell Primary Care Trust
Liza Walsh	Heart of Birmingham tPCT
Louise Pritchard	Birmingham East and North PCT
Mandie Sunderland	Heart of England Foundation Trust
Janet Down	Birmingham East and North PCT
Michael Smith	Birmingham East and North PCT
Qulsom Fazil	Birmingham East and North PCT
Richard Miner	Birmingham East and North PCT
Marie Henson	South Birmingham PCT
Marie Moore	Birmingham East and North PCT
Mark Goldman	Heart of England Foundation Trust
Martin Harris	South Birmingham PCT
Martin Samuels	Heart of Birmingham tPCT
Martin Wiltshire	Birmingham East and North PCT
Dr Mike Payne	South Birmingham PCT
Moira Dumma	South Birmingham PCT
Nicola Benge	Birmingham East and North PCT
Dr Nishat Ahmad	Heart of Birmingham tPCT
Paul Sabapathy	Birmingham East and North PCT

Stakeholder attendance list

Review of PCT joint working and commissioning in Birmingham

Name	Organisation
Dr Paul Turner	South Birmingham PCT
Peter Hay	Birmingham City Council
Peter Thebridge	Birmingham East and North PCT
Ranjit Sondhi	Heart of Birmingham tPCT
Dr Richard Mendelsohn	Birmingham East and North PCT
Rick Roberts	South Birmingham Community Health
Rita Symons	South Birmingham PCT
Rob Bacon	Sandwell PCT
Dr Robert Morley	Birmingham LMC
Vincent Sai	Aetna
Sally Brooks	Birmingham East and North PCT
Sally Plant	Birmingham East and North PCT
Sandra Cooper	South Birmingham PCT
Dr Sandy Bradbrook	Heart of Birmingham tPCT
Sarah Jane Marsh	Birmingham Childrens Hospital
Seamus Gaynor	Birmingham City Council
Sarah Francis	PIAG group
Sohaib Khalid	Heart of Birmingham tPCT
Sophia Christie	Birmingham East and North PCT
Steph Belgeonne	South Birmingham PCT
Steve Washbourne	Specialised Commissioning Team [West Midlands]
Cllr Sue Anderson	Birmingham City Council
Sue Davis	Sandwell & West Birmingham Hospitals
Tom Caulcott	Heart of Birmingham tPCT
Tom Wedgbury	Birmingham LPC
Val Jones	Birmingham East and North PCT
Jackie Mould	Be Birmingham
Cheryl Hopkins	Birmingham City Council
Dr Waqar Malik	Birmingham East and North PCT
Alyson Brenchley	Heart of Birmingham tPCT
Brendan O'Brien	Birmingham East and North PCT
Dr Peter Patel	South Birmingham PCT

Stakeholder attendance list

Review of PCT joint working and commissioning in Birmingham

Name	Organisation
Mike Magee	Heart of Birmingham tPCT
Surjit Bath	Heart of Birmingham tPCT

Table 8 : Stakeholders that were invited but did not attend

Name	Organisation
Dr Aamir Syed	Birmingham LMC
Dr Andrew Coward	South Birmingham PCT
Antony Marsh	West Midlands Ambulance Service
Barry O'Neill	Heart of Birmingham tPCT
Barry Thurston	West Midlands Ambulance Service
Mrs Christine Barve	Heart of Birmingham tPCT
Eammon Kelly	West Mids Strategic Health Authority
Elaine Elkington	Birmingham City Council
Sister Helen Ryan	Heart of Birmingham tPCT
Ian Cumming	WM SHA
Dr Inderjit Marok	Heart of Birmingham tPCT
Jerry Blackett	Birmingham Chamber of Commerce and Industry
Jim Mcmanus	Birmingham Health Well-being Partnership
Joy Warmington	BRAP
Cllr Les Lawrence	Birmingham City Council
Ms Lynda Scott	Heart of Birmingham tPCT
Brendan O'Brien	Birmingham East and North PCT
Mark Ford	Birmingham East and North PCT
Sue Nixon	Birmingham East and North PCT
Bhatti Mehboob	Birmingham East and North PCT
Michael Kilduff	Learning and Skills Council
Mr Peter Magee	Heart of Birmingham tPCT
Rachel Hardy	South Birmingham PCT
Ms Salma Ali	Heart of Birmingham tPCT
Dr Sam Mukherjee	Heart of Birmingham tPCT
Sam German	Birmingham East and North PCT

Stakeholder attendance list

Review of PCT joint working and commissioning in Birmingham

Name	Organisation
Dr Sharad Pandit	Heart of Birmingham tPCT
John Taylor	South Birmingham PCT
Val Jones	Birmingham East and North PCT
Dr Vijay Bathla	Heart of Birmingham tPCT
Ann Blight	South Birmingham PCT
Barbara Webster	South Birmingham PCT
Dr Bhikhu Pattni	Birmingham East and North PCT
Diane Charles	University Hospital Birmingham
Eddie Crouch	Birmingham LDC
Dr Peter Patel	South Birmingham PCT
Harris Beider	South Birmingham PCT
Dr Ian Cunliffe	Heart of England Foundation Trust
Jane collier	Birmingham East and North PCT
Janet Clarke	Heart of Birmingham tPCT
John Nichols	Birmingham LPC
Karen Helliwell	WMSCT
Dr Naresh Rati	Heart of Birmingham tPCT
Dr Nick Harding	Heart of Birmingham tPCT
Patrick Nyarumbu	Birmingham East and North PCT
Cllr Paul Tilsley	Birmingham City Council
Penny Venables	Royal Orthopaedic Hospital
Phil Davis	South Birmingham Community Health
Steve Peak	Birmingham Women's Hospital
Sue Turner	BSMHT
Sulton Mahmud	South Birmingham PCT
Suzette Davenport	West Midlands Police
Tony Howell	Birmingham City Council
Vijay Sarathy	Community representative
Dr Waqar Malik	Birmingham East and North PCT

Stakeholder attendance list

Review of PCT joint working and commissioning in Birmingham

Organisation represented in web based survey for those not attending whole system event (as on 16/12/09)

Age Concern

Birmingham East and North PCT

Birmingham City Council Children's Services

Specialised Commissioning Team

South Birmingham PCT

Heart of Birmingham tPCT

Birmingham LDC

BPCSSA ICT and BENIT , hosted by BEN

Heart of Birmingham tPCT Provider Services

Birmingham Health & Wellbeing Partnership

Birmingham Local Medical Committee

South Birmingham Community Health

South Birmingham general practice

Anonymous

Appendix 3 Right Care Right Here

Right Care Right Here is a major programme in Sandwell and Heart of Birmingham tPCT focused on providing specialist medical care and social services closer to home, making health services more accessible and enhancing the quality of estates to be fit for the future.

It entails extensive service redesigns and new developments including the building of a new hospital and the development of community hospitals, town centre healthcare facilities, primary health centres, outpatient and diagnostic facilities, intermediate care facilities and urgent care centres.

The key objectives of the programme are to improve health outcomes and to ensure that people have the opportunity to benefit from healthier lifestyles and are able to live independent lives.

Birmingham City Council: Key principles

Review of PCT joint working and commissioning in Birmingham

Appendix 4 Birmingham City Council: Key principles

Review of how to strengthen PCT joint working and commissioning in Birmingham - Key principles for BCC

The City Council would see the strengthening of joint working and partnership with Primary Care as a critical consideration for a new approach to Primary Care in the City. It sees the following as essential principles to support the delivery of this aim.

Principle: Birmingham first

We want to see a solution that is based on the needs of Birmingham and its citizens.

- Our ambition to be a global city, requires vigorous improvement of all outcomes and the redesign of services accordingly.
- In the light of economic circumstances there also needs a shared agenda of greater efficiency and effectiveness that is genuinely owned and shared jointly.

Principle: Improves delivery of Priority Outcomes for our Citizens

We want to see better outcomes for people that matter most to us.

- People in Birmingham do not enjoy the same standard of health as the rest of the country. Improvements in health inequalities should be made by greater focus and use of programme approaches that require unified leadership.
- Children in Birmingham must be made safer through continued engagement of all partners in the development of the Brighter Futures Strategy.
- Children in Birmingham and their families should enjoy reliable and consistent support that is focussed upon meeting priority needs in line with Brighter Futures. This requires a new approach to joint commissioning in children's services.
- People with long-term conditions, Learning Disability and Mental Health need improvements to their quality of lives through a consistent approach to applying social models. This needs the determined of the new Joint Governance structure and a single commissioning strategy for Birmingham.
- Older adults in Birmingham want more care closer to home and a strong focus on intermediate care based on re-ablement concepts.

Principle – Supports risk and innovation

We want greater capacity to make bold and innovative investments in new approaches.

- We are now leading councils in implementing self directed support. We support further roll out of the concepts of personalisation across public services.

Birmingham City Council: Key principles

Review of PCT joint working and commissioning in Birmingham

- We have pilot status for individual budgets within the NHS and are bidding for the same for benefits. We want to achieve efficiency through enhancing the ability of people to make decisions about quality and value about the use of the public pound.
- We support the principle of a public sector without boundaries that is committed to the implementation of the concept of Total Place .
- We recognise that this will require investment in prevention and different interventions which may drive new approaches to ensure returns on investment from the public pound.
- We want to ensure that where it exists we use evidence from around the world on what works to plan and commission new services. We want to see real engagement with local people to support innovation.
- We want to evaluate existing services against outcomes and de commission where there is no evidence of impact.

Principle – Supports Effective Partnership and promotes collaborative behaviours

We want to build on the improvements made to our joint approach to health and wellbeing.

- We want to see a determined “can do” approach to meeting the challenges that face us – not a structure that promotes complexity as an excuse.
- We are committed to developing great governance of shared financial and service risks – supporting the greater integration of commissioning.
- We want attention to the underdeveloped potential of front line staff across health and the council to improve efficiency and outcomes.
- We want to promote in our organisations the trust and collaboration that has been shown at senior levels.

Principle - Drives diversity of provision based on choice

We want to see diverse provision and a greater focus on the third sector in order to enhance resilience within the city.

- We want to see a more diverse range of provision.
- We particularly want to improve the capacity of our community for self care through the full engagement of the third sector and emerging social enterprise approaches.
- We support the wider development of our approach that all services should be transparently commissioned, including those that are retained within public bodies.

Birmingham City Council: Key principles

Review of PCT joint working and commissioning in Birmingham

Principle – Engages citizens and enhances democratic decision making

We want to reduce the costs of governance whilst improving the way our citizens engage.

- We know that people want to engage around needs and issues rather than structures and we want to promote.
- We want to improve governance and accountability by developing a shared approach to local and city wide decision making.
- We want to sharpen accountability through scrutiny.
- We want single, lean, governance both as a principle but also the basis of promoting trust.

Contact Officer: Peter Hay

Telephone: 0121 303 2992

Email: peter.hay@birmingham.gov.uk

The principles were approved by the Corporate Management Team of Birmingham City Council on Tuesday 8 December 2009 as a basis for engagement in the Stakeholder Meeting Wednesday 9 December 2009.

Scoring for options at whole system event

Review of PCT joint working and commissioning in Birmingham

Appendix 5 Scoring for options at whole system event

Working title for criteria at whole system event	Criteria	Table No.	Option 1 Do nothing	Option 2 Do minimum	Option 3 3 to 2 PCTs		Option 4 3 to 1 PCTs		Total
					3a)*	3b)*	4a)*	4b)*	
Sustainable Future proof	Sustainable & future proof	8				2		8	10
		2					10		10
		11		3		2		5	10
Culture	(consider alongside governance)	8		1		3		6	10
		2		4				6	10
		11		3		2		5	10
Finance and VFM	Efficiency & Value	6		2		2		6	10
		9		2		3		5	10
		12		2		2		6	10
City:local	Strategic and local perspectives	6	1	1		3		5	10
		9				5		5	10
		12		4				6	10
Health improvement	Health Improvement	10		3				7	10
		5		4	1			5	10
		1	1				6	3	10
Clinical engagement	Clinical engagement	10		5				5	10
		5		10					10
		1	3				5	2	10
Governance	Governance and leadership	4						10	10
		7	X	1	0	2	0	7	10
		3		2		4		4	10
Management processes & systems	Performance	4		2		4		4	10
		7		2		0	0	8	10
		3	X	1	0	4		5	10
	Total		5	52	1	38	11	133	