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**To**  
Health and Social Care Scrutiny Board (SB5)

Date: 29<sup>th</sup> September 2010

**Subject**  
Proposed Transfer of Coventry Community Health Services to the Coventry and Warwickshire Partnership Trust

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### 1 Purpose of the Note

This briefing note is intended to introduce an item on the agenda of the Board's September meeting regarding the proposed transfer of the provider arm of NHS Coventry – Coventry Community Health Services (CCHS) to the Coventry and Warwickshire Partnership Trust (CWPT).

### 2 Recommendation

That the Board consider the proposed transfer of CCHS and write to the Strategic Health Authority (SHA) to confirm their support for NHS Coventry's proposals.

### 3 Information/Background

3.1 In January 2009 the Department of Health produced "Transforming Community Services" (TCS) a policy document intended to define new working relationships between Primary Care Trusts (PCTs) and provider services. The Government's intention was for PCTs to become commissioning bodies and deliver leadership to the local health economy, and for commissioning tools to be used to improve the quality and shape of community services. The Coalition Government has re-affirmed the principles of "Transforming Community Services" whilst making amended proposals for the commissioning function in the "Equity and Excellence – Liberating the NHS" White Paper.

3.2 Coventry Community Health Services deliver a range of community-based services including the following:

- Clinical Assessment Service
- Community Dental Services
- Community Nursing (Health Visiting, District Nursing, Community Matrons)
- Continence Service
- Expert Patient Programme
- Infection Control Service
- Intermediate Care
- Occupational Therapy – Children and Young People

- Palliative Care
- Physiotherapy
- Podiatry
- Sexual Health Services
- School Nursing (Mainstream)
- Speech and Language Therapy
- Tissue Viability Service
- Unscheduled Care (the Walk-In Centre and Out of Hours Care)

- 3.3 In line with TCS over the past year NHS Coventry undertook a process of 'separation' of Community Services, to the point where late last year a Shadow Board was in the process of being formed, which would have gone on to lead effectively a distinct organisation operating within NHS Coventry.
- 3.4 TCS as a policy was later revised after the then Government formed the conclusion that separate Community Services organisations would duplicate back office functions and would not fit in with the emphasis on putting patients first and productivity. Even though a small number of PCTs had developed plans for stand-alone Community Services organisations, which had been approved these have been abandoned following the Coalition Governments assertion of the principle of separation and an accelerated timetable.
- 3.5 Current advice from the Department of Health is for all provider services to have been transferred from PCTs to provider organisations by April 2011. Options for NHS Coventry included transfer to University Hospital Coventry and Warwickshire (UHCW), Coventry and Warwickshire Partnership Trust (CWPT – providing mental health, learning disability and substance misuse services) and the City Council.
- 3.6 The accelerated timetable for implementation has meant that NHS Coventry have already been required to advise the Strategic Health Authority of their plans for CCHS. Further accentuating this factor is that CWPT are currently preparing their application for Foundation Trust status and are required to have various financial issues resolved and in place for a period of time before submission.

#### **4.0 NHS Coventry's Proposal**

- 4.1 The Chief Executive of NHS Coventry attended the Board's February meeting to update Members on the TCS agenda. He advised the Board of the process of consultation with staff that had taken place and been planned, and confirmed that all options for CCHS were being evaluated.
- 4.2 After concluding their consideration of possible options for CCHS, NHS Coventry has concluded that CWPT is the preferred solution. This will create a combined single provider of community and mental health services for the City. The attached paper presented to the PCT Board's September meeting includes the details of exactly which services will transfer to the Partnership Trust, and the small number of services (relating to Diabetes and specialist dental services) which will transfer to UHCW. A discussion is still underway on the final destination for the TB nursing services, and the Interpreting and Translating Services will transfer to the City Council's Community Services Directorate.

4.3 The meeting will be attended by:

Josie Spencer – Managing Director of CCHS

Alison Walsh – Director of Performance and Contracting NHS Coventry

Rachel Newson – Chief Executive CWPT

Roisin Fallon-Williams – Director of Strategy and Business Development CWPT

- 4.4 Josie Spencer will provide the Board with a short presentation on the proposed transfer and its implications for services and patients. Members will have the opportunity to question the officers present on the merits of the proposals and any issues arising from them.
- 4.5 Members will wish to satisfy themselves that these proposals are in the best interests of patients in the City, whilst being mindful of the limits and constraints placed on NHS Coventry during this process. As part of the process of transfer NHS Coventry has carried out some consultations, particularly with staff and other NHS professionals.
- 4.6 Members will also wish to be mindful of other issues arising from the transfer. CWPT will provide a different range of services in Coventry to those in Warwickshire as a result of NHS Warwickshire choosing to transfer its services to South Warwickshire Hospitals Foundation Trust. The Chief Executive will be present to discuss with Members plans for integration of the new services into the organisation and the implications of this for the Partnership Trust.
- 4.7 Attached as an Appendix is the Executive Summary of the Business Case submitted to the PCT Board on 14<sup>th</sup> September. The Board are invited to give their support to the proposals by way of a letter to the Strategic Health Authority who will give the approval on behalf of the Department of Health in time for the services to transfer on 1<sup>st</sup> December 2010.
- 4.8 Should Members wish to obtain any further detail on this proposal in advance of the meeting, they should contact the author details below.

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20<sup>th</sup> September 2010.



## NHS COVENTRY

<b>Report To:</b>	NHS Coventry Board
<b>Report From:</b>	Alison Walshe - Director of Strategy and Delivery
<b>Title:</b>	Transforming Community Services

**Purpose of the Report:**

To update the Board on progress with the Transforming Community Services programme.

**Key Points:**

- The programme is being progressed in accordance with planned timescales.
- Formal submissions have been made as per requirements.
- Discussions with new providers are going well.
- Formal assurance processes are planned to ensure that the proposed transfers meet the requirements of national policy.

**Recommendation(s):**

That the Board notes the content of the report.

**Approved by:**

Committee / Meeting	Date

**Implications:**

<b>Financial:</b>	A financial framework is under negotiation; the draft is included in the business case to the SHA.
<b>HR / OD:</b>	TUPE transfer letters were sent out on 1 <sup>st</sup> September 2010.
<b>Board Assurance / Healthcare Standards:</b>	Formal assurance processes are planned, including a Board to Board with CWPT plus a SHA assurance meeting at cluster level.
<b>Risk Rating:</b>	All risks have been quantified as amber currently.
<b>Equality &amp; Diversity:</b>	The business case has been equality impact assessed.
<b>PPI:</b>	Patients and public are aware of planned changes to the host organisation.
<b>Health Strategy:</b>	The TCS QIPP programme will be required to be delivered by the new organisations.

<b>Section 17:</b>	
<b>Other</b>	

## NHS COVENTRY

**REPORT TO:** PCT BOARD

**REPORT OF:** ALISON WALSH  
DIRECTOR OF STRATEGY AND DELIVERY

**SUBJECT:** TRANSFORMING COMMUNITY SERVICES

**DATE:** 14<sup>th</sup> SEPTEMBER 2010

### **Purpose of Paper**

To provide the PCT Board with an update on the progress of the TCS programme.

### **Recommendations**

The Board is requested to note the content of the report and to agree to delegated authority being given to the Chair and Chief Executive in respect of any timely decisions being made in relation to TCS proposals.

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### **Programme Update**

#### 1. Formal submissions

- Further to the PCT's two initial submissions to the SHA in respect of proposals for the transfer of services to other organisations by 31<sup>st</sup> March 2011, the PCT has now provided the SHA with the formal business case which sets out the detail of the proposed transfers of service (see Appendix A for the Executive Summary). Members will recall that the business case was discussed in detail at the August Board Development session. The business case is to be considered by the SHA Operational Management Board in early September and a verbal update will be provided at the Board meeting.
- Further information has been submitted and approved by the SHA regarding plans for the transfer of Children's services (at the request of the DH).
- In addition, a further business case has been prepared for the Cooperation and Competition panel. Whilst largely mirroring the SHA business case in terms of content, this business case has a specific focus on benefits for patients, benefits for the tax payer and implications for patient choice. Given the fact that the CQC is not producing 'Annual Health Check' (AHC) ratings for 2009/10, additional evidence has been submitted within the business case in respect of the SHA's assessment of likely AHC ratings (had they been produced) and

the quality of clinical care within Coventry and Warwickshire Partnership Trust. The aim of this is to attempt to reduce the timescales for consideration of the proposed service transfers from 40 days to 10 days.

## 2. Summary of TCS Proposals

Taking into account the original TCS submissions and subsequent work and amendments, the PCT's TCS proposals in summary now seek to:

- Integrate CCHS and CWPT into a single provider of community and mental health services.
- Transfer and integrate the services underpinning the following service lines into CWPT:
  - Long Term Conditions and End of Life (with the exception of Diabetes services)
  - Children's and Families;
  - Intermediate Care;
  - Rehabilitation;
  - Promotion of Health and Well Being (with the exception of TB specialist nursing services);
  - Learning Disabilities;
  - Community Dental Services (with the exception of Specialist Orthodontics and Orthognathics);
  - Out of Hours.
- Transfer and integrate the following services into UHCW:
  - Planned Care (at a service line level);
  - Diabetes Nurse Specialist Services;
  - Specialist Orthodontics and Orthognathics.

TB nursing services are ear-marked to transfer to one of the three acute providers within Coventry and Warwickshire, subject to a managed evaluation process.

There is an existing plan to transfer Interpreting and Translation services to the City Council which is also being progressed. Some (elements of) corporate/support services have also been identified to transfer to CWPT.

## 3. Programme

As per Appendix B, the critical pathway for the programme has been developed to align with the timescales for a future Foundation Trust application by CWPT. The aim is to achieve a transfer of services to both CWPT and UHCW on 1<sup>st</sup> December 2010, subject to approvals from the Department of Health and Cooperation and Competition Panel. TUPE letters were distributed to staff on 1<sup>st</sup> September 2010

accordingly and have advised staff that there is some risk that the proposed transfer date of 1<sup>st</sup> December 2010 will slip.

#### 4. Approvals Process

As detailed above, in order to proceed with service transfers there are a number of assurances that will need to be demonstrated. At a high level these relate to the four new rules on reconfiguration outlined in the Revision to the Operating Framework for the NHS in England 2010/11, i.e.

- Support from GP commissioners
- Strengthened public and patient engagement
- Clarity on the clinical evidence base
- Consistency with current and prospective patient choice.

In respect of demonstrating this assurance for the NHS Coventry proposals:

- GPs have received a summary of the proposals and their justification, and a sign off meeting with LMC and PBC leaders has taken place;
- The Overview and Scrutiny Committee has reviewed the implications of the proposals in detail and given its support;
- Where service specifications have been recently changed the clinical evidence base has been reviewed by clinical leads (including Public Health);
- There is no impact on patient choice as, even where integration with the acute sector is occurring, this will continue to be offered at a pathway level or following community based clinical assessment if a consultant referral is required.

The Board will wish to be assured that at the end of the executive negotiations with CWPT that the governance and other arrangements within CWPT are appropriate for transfer. This will be tested at a Board to Board meeting with CWPT.

Prior to implementation the SHA will be holding a formal Assurance Meeting with each SHA cluster with the aims of:

- Assuring the SHA that there is commissioner and acquiring Provider Board and organisational focus on quality in the transition, including patient safety, effectiveness of care and the patient experience;
- Assuring the SHA that the acquiring Provider Board is putting in place the cultural and structural development plan to safely govern, manage and develop patient-centred integrated community services;

- The organisations within each cluster learning together in relation to the TCS programme and Board leadership and effectiveness.

For the Coventry and Warwickshire cluster this formal assurance meeting will be held on 2<sup>nd</sup> November 2010.

5. Risks and Mitigation

Appendix C details the updated risk register for the TCS programme. The failure to achieve QIPP efficiency savings as a result of the transfers was added at the last Commissioning Board meeting.

6. Delegated Authority

Given the speed at which the TCS proposals are moving forward and the potential requirement to make timely decisions it is proposed that delegated authority for decision-making be given to the Chair and Chief Executive of the PCT.

<b>APPENDIX B - TCS CRITICAL PATHWAY</b>	
SHA Business Case and CCP Submission	End of August 2010
Issue TUPE notices	1 <sup>st</sup> September 2010
CCP Approval	September – November 2010
Staff training and new policies and procedures	September – November 2010
SHA Approval	September – November 2010
Agree contract with CWPT 01/12/10 – 31/03/12 (including risk Sharing arrangements)	End of October 2010
Due Diligence (CWPT)	Mid-October to Mid-November 2010
Transfer of Services	1 <sup>st</sup> December 2010

<b>RISK REGISTER</b>	<b>RISK RATING</b>	<b>MITIGATING ACTION</b>
Failure to gain approval of the business case by the SHA and CCP by 1 <sup>st</sup> December 2010	9	CCHS remains an APRO until business case is approved (if before 1 <sup>st</sup> April 2011)
Failure to gain approval of the business case by the SHA and CCP by 1 <sup>st</sup> April 2011	12	CCHS will transfer to a regionally established 'holding company' from 1 <sup>st</sup> April 2011 until the business case is approved
Failure to achieve formal transfer of CCHS services to UHCW by 1 <sup>st</sup> December 2010	9	All services to transfer to CWPT from 1 <sup>st</sup> December 2010 – those services set to transfer to UHCW to be classed in a 'holding' position until 1 <sup>st</sup> April 2010
Failure to complete the contract re-basing in time for the transfer to CWPT	9	Focus on completing the re-basing work for those elements to transfer to UHCW. Develop and agree a financial risk-share with CWPT in respect of all other CCHS services to transfer
Failure to agree transfers with UHCW and/or CWPT	8	If UHCW don't agree the transfers, offer all services to CWPT (except TB nurses which could transfer to an acute provider in Warwickshire, if necessary) If CWPT don't agree the transfers then recommence the option appraisal process, exploring new alternative options
Management capacity is insufficient to support the high volume of work	8	Continuous review of workloads. Consider redeployment of other commissioning staff to support process, if required
Failure to deliver QIPP savings as a result of a change in provider	12	Formal sign up from new organisations as part of financial framework agreement. Continuous review of work and savings.



**NHS Coventry**

**TCS Organisational Form Proposals**

**BUSINESS CASE**

**Version 2.0**

**12<sup>th</sup> August 2010**

### VERSION CONTROL

Filename	Date	Status / Comments
100806 NHS Coventry Business Case_TCS Organisation Form Proposals v1.0	6 <sup>th</sup> August 2010	Issued to NHS Coventry Board for review on 10 <sup>th</sup> August 2010
100812 NHS Coventry Business Case_TCS Organisation Form Proposals v2.0	12 <sup>th</sup> August 2010	Final submission version for SHA

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## **1. Executive Summary**

### **1.1 Introduction & Background**

#### **1.1.1 Purpose of the Document**

This document represents NHS Coventry's case for its Transforming Community Services (TCS) proposals, developed in response to the national TCS Organisational Form agenda requiring PCTs to develop and agree plans for the future of their community provider services, and to implement these by March 2011.

NHS Coventry's proposal sets out to divest its autonomous community provider arm, Coventry Community Health Services (CCHS), by:

- ◆ Integrating CCHS as an organisation with the mental health provider Coventry and Warwickshire Partnership NHS Trust (CWPT), into a single provider of integrated community and mental health services;
- ◆ Transferring the vast majority of CCHS services and associated staff to CWPT; and
- ◆ Transferring the remaining services and associated clinical staff, to the acute provider, University Hospitals Coventry and Warwickshire NHS Trust (UCHW).

This document aims to:

- ◆ Provide background information to the local strategic health plans for Coventry;
- ◆ Provide further detailed rationale for NHS Coventry's TCS proposals;
- ◆ Outline the arrangements and plans that underpin the proposals; and
- ◆ Outline the benefits to be achieved as a result of the proposals, both clinically and financially, to patients and to the local health economy.

#### **1.1.2 NHS Coventry**

NHS Coventry is responsible for improving the health and well-being of its population of 326,000, employs 1,500 staff and has an annual budget of £550m. The PCT is coterminous with the area covered by Coventry City Council.

NHS Coventry's vision and its long term strategy for commissioning improved health services and improved health outcomes for the people of Coventry are set out in its Commissioning for Health Strategy 2009-2014. The vision is based upon four strategic goals:

- ◆ Improving health and reducing inequalities;
- ◆ More integrated care closer to home;
- ◆ Faster and more responsive services; and
- ◆ Patient centred quality health services.

## NHS Coventry

### BUSINESS CASE

#### TCS Organisational Form Proposals

The PCT is responsible for commissioning primary and community care services from its primary care contractors and CCHS, its autonomous provider organisation, as of 1<sup>st</sup> November 2009. NHS Coventry commissions 92% in value terms of its acute services from University Hospitals Coventry and Warwickshire NHS Trust (UHCW), and works closely with other commissioners, predominantly NHS Warwickshire on both its contract with CWPT and on the joint agenda of transforming mental and health services across Coventry and Warwickshire, in respect of other acute providers such as George Eliot Hospital NHS Trust and South Warwickshire NHS Foundation Trust.

#### 1.1.3 Coventry Community Health Services

CCHS is the provider-arm of NHS Coventry, providing and managing community health services for the local population. On the 1st of April 2007, CCHS became a distinct Directorate, with its own management team designed to deliver and manage community health services in Coventry as specified in the Service Level Agreement with the commissioning arm of NHS Coventry.

In response to the national TCS agenda, it became an Autonomous Provider Organisation in November 2009, and is currently managed by its own Provider Board, a formal sub-committee of the main NHS Coventry Board.

For 2010/11, CCHS had a total budgeted income budgeted of £62.65m, with the most significant component comprising the Service Level Agreement with NHS Coventry, totalling £53.85m. In 2008/09, CCHS received Annual Health Check (AHC) ratings from the Care Quality Commission (CQC) of “good” for quality of services and “good” for financial management, and are currently registered with the CQC without condition.

#### 1.1.4 Coventry and Warwickshire Partnership NHS Trust

Formed in October 2006, CWPT provides mental health, learning disability and substance misuse services predominantly to the 850,000 people across Coventry and Warwickshire. With a budget of circa £140 million, CWPT also provides some specialist services at a regional and national level to many NHS and Local Authority Commissioners outside the local Health Economy, that cater for people from farther afield.

The organisation employs more than 3,000 people and operates services from around 100 different locations across the area, covering more than 1,200 square miles.

CWPT is currently pursuing an application for Foundation Trust status. Its CQC ratings for 2008/09 were “good” for financial management, and “weak” for quality of services. This is discussed in further detail at Section 3.3.2, which outlines the work that has been undertaken since receiving this rating, which has resulted in CWPT having now successfully registered with the CQC without condition.

A copy of CWPT’s 2009/10 Care Quality Account can be found at **Annexe 1** in the Annexe of Supporting Information.

### **1.1.5 University Hospitals Coventry and Warwickshire Hospitals NHS Trust**

UHCW is one of the UK's largest acute teaching Trusts responsible for managing two major hospitals in Coventry and Warwickshire, which between them serve a population of a million people. The Trust is the principal teaching hospital for Warwick Medical School with whom a close partnership has been established to develop innovative medical education programmes and clinical research.

The serving hospitals are:

- ◆ Hospital of St Cross in Rugby; and
- ◆ University Hospital (Walsgrave site), north east Coventry.

The Trust was first established in 1992 and expanded to include Rugby in 1998. In July 2006, it took delivery of the £400 million Public Finance Initiative (PFI) University Hospital and subsequently demolished the old Walsgrave Hospital building. UHCW is also currently pursuing an application for Foundation Trust status. Its CQC ratings for 2008/09 were “good” for both quality of services and financial management.

A copy of UHCW's 2009/10 Quality Accounts can be found at **Annexe 2** in the Annexe of Supporting Information.

## **1.2 Local Strategic Context**

### **1.2.1 NHS Coventry's Strategic Plan (2010/11 – 2013/14)**

NHS Coventry's Strategic Plan for 2010/11 – 2013/14 sets out the vision for Coventry as:

*“Improved health and reduced health inequalities; fast and responsive access to patient-centred, high quality health services; provided as close to home as possible, within an environment of financial stability.”*

In helping to develop its Strategy, the PCT took the 4 core principles and its underpinning values, and looked to re-evaluate and re-prioritise its focus. In doing so, the PCT identified 3 strategic themes to its strategy:

- ◆ Addressing lifestyle risk management issues;
- ◆ Improving overall quality of primary care (GP) services; and
- ◆ Improving long term condition management.

The above themes are further supported by a programme of sustainability and Organisational Development.

### **1.2.2 NHS Coventry's Community and Primary Care Strategy**

To support and help deliver the PCT's Strategic Plan, a Community and Primary Care Strategy is being developed to look at key themes and challenges being faced locally, including a requirement for more locality based capacity to deliver care closer to home. The Strategy

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clearly states that *“At the heart of the Strategy is a vision of integrated Primary and Community Services developed around the needs of the local population”*.

The rationale underpinning the need for high quality care to be delivered closer to home is that the local population should be cared for in *“the right place at the right time by the right professional”*. The Strategy wants to ensure that:

*“ ... people can receive care as locally as possible where this is safe, cost effective and appropriate to do so. We want to develop services out-of-hospital to relieve hospitals of work that detracts from them providing the most effective acute or other specialist care. We are keen to avoid unnecessary hospital admissions and to enable patients to leave hospital as promptly as possible ...”*

The Strategy states that developments in medicine and clinical practice now mean that:

- ◆ Many procedures or packages of care can be performed in a community setting rather than in an acute hospital;
- ◆ Where people do need care in hospital, then again, medical advancement and the development of community and home based rehabilitation services can reduce lengths of stay in hospital;
- ◆ Many people with long term conditions or complex conditions, who would previously have frequently been admitted to hospital, can now receive the care they need in their own home or in a setting close to their home;
- ◆ Care in the community generally presents better value for money;
- ◆ There are many opportunities to co-locate services from across the statutory agencies to provide a greater range of local services from one access point.

To realise the national and local vision for primary and community services, the Strategy sets out to deliver:

- ◆ An integrated primary and community service developed around the needs of the local population;
- ◆ Integrated Teams to ensure those with complex care needs are appropriately case managed, and that patients are supported to manage their condition, with the appropriate support for their carers also;
- ◆ Appropriate pathways are in place to ensure that clients are adequately supported by primary and community services, therefore reducing attendances at accident and emergency, and subsequently emergency admissions;
- ◆ Partnerships and joint working with other services such as the third sector and social services are strengthened, to ensure seamless care is provided;
- ◆ Arrangements are strengthened for the delivery of children and young people’s services;
- ◆ Health improvement is central to all that we do and is considered at every step of the way to ensure that individuals are seen holistically and the appropriate

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prevention measures are offered to inform individuals of the impact of health life choices;

- ◆ Provision of more specialist community services in centralised locations to ensure efficient and effective provision; and
- ◆ Appraisal of any opportunities offered by integration, to include benefits to be gained through enhanced quality of provision or cost effectiveness and efficiency.

### **1.3 Developing the TCS Proposal**

In accordance with NHS West Midlands requirements, the PCT produced two submissions outlining its proposals to divest of its community provider services, in February and March 2010 respectively. Subsequent to this, the PCT was asked for further work and evidence in support of its proposals, and the original submissions have been subject to some minor changes. Further details of these areas of work and changes are outlined in Section 3.3.

#### **1.3.1 Initial TCS Organisational Form Submissions to SHA**

NHS Coventry's initial submission of February 2010 set out the results of a formal options appraisal exercise that looked at the organisational forms and destinations available for community services, against 9 locally defined services lines, and appraised these using the 8 Department of Health tests set for evaluating TCS proposals. The result of this exercise was a proposal setting out the overall direction of travel as being the integration of CCHS and CWPT into a single provider of community and mental health services, with the transfer and integration of the vast majority of CCHS services to CWPT, with the remainder of services to transfer to UHCW. This submission was approved in principle by the Board of NHS Coventry, and a copy of the main body of the submission can be found at **Annexe 3** in the Annexe of Supporting Information.

A second submission was made in March 2010 in line with the original proposals, with further rationale and an outline of the plans for implementing the proposals. This was approved in principle by the Boards of both NHS Coventry and CWPT, with the exception of the decision by the PCT Board to transfer Specialist Nurse Services to UHCW (see Section 3.3.3 for further details). The main body of the submission can be found at **Annexe 4** in the Annexe of Supporting Information.

The way in which the proposals were developed is described in further detail at Section 5.

### **1.3.2 Changes / Additional Work to TCS Organisational Form Submissions**

Having submitted its TCS proposals to the SHA in February and March 2010, further work has been carried out in response to:

- ◆ Queries raised by the SHA in relation to the proposals;
- ◆ Further work requested by the SHA and DH of all PCTs; and
- ◆ Further review of some areas of the proposal, at the request of either the PCT Board or the SHA.

A summary of this work and the changes made are outlined below:

#### **1.3.2.1 SHA / Grant Thornton Feedback**

The SHA in conjunction with Grant Thornton, undertook a review of all local TCS proposals, against the criteria and tests developed by the Department of Health to assess these plans.

The results of the Grant Thornton assessment for NHS Coventry against the Stage 2 submission showed that:

- ◆ The PCT's submission met the expectations of 9 of the 25 tests; and
- ◆ The submission fell below the expectations of 16 of the 25 tests.

**Appendix A** comprises the SHA / Grant Thornton schedule, summarising where the PCT submission either met or fell below expectation. Those areas marked as falling below expectation have been cross referenced with Section numbers from this business case, where further information to help satisfy the correlating test / criteria can be found.

#### **1.3.2.2 CWPT Clinical Governance Ratings**

In 2008/09, CWPT received an Annual Health Check rating from the CQC of "weak" for quality of services, at a time where, as for many other mental health Trusts, the provision of accurate and timely data on specific clinical interventions and ways of working was a contributory factor to a drop in rating. This issue subsequently led the SHA to request that the NHS Coventry submit a business case to support its TCS organisational form proposals for the integration of CCHS and CWPT.

Working with the SHA and NHS Coventry, CWPT has responded to the issue to such an extent that the SHA have now confirmed they have no clinical governance or quality concerns in relation to CWPT, and have provided a letter to this effect (see **Appendix B**).

Since the publication of the 2008/09 AHC ratings, the CQC has introduced a new regime of registration to replace the AHC process. Under this regime, CWPT has satisfied the CQC such that the organisation successfully achieved registration without condition.

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**1.3.2.3 Specialist Nursing Services**

The PCT's second stage submission was approved by its Board in principle, with the exception of the decision to transfer Specialist Nursing Services for Heart Failure, Diabetes, COPD and Parkinson's Disease, as a group to UHCW. The Board asked that the decision be revisited and reviewed on an individual service basis rather than on a group basis.

A workshop was subsequently held, chaired by the PCT's Director of Nursing, with representatives from the relevant Clinical Nurse Specialist Services, PCT Commissioners, UHCW Consultants, GPs, PBCs, a Coventry Local Medical Council representative and CCHS.

As a result of the workshop, the PCT Board agreed that:

- ◆ Diabetes Specialist Nursing services should transfer to UHCW;
- ◆ Parkinson's Disease Specialist Nursing services should transfer to CWPT;
- ◆ COPD and Heart Failure services should also transfer to CWPT, but will be subject to review once service specifications have been further developed and agreed, and future commissioning arrangements revisited.

**1.3.2.4 TB Nurse Specialist Services**

Following a request from the SHA for NHS Coventry and NHS Warwickshire to consider a possible joint TB Nurse Specialist service across both Coventry and Warwickshire, both PCTs held a workshop to look into this issue. Chaired by the Joint Director of Public Health for NHS Coventry and Coventry City Council, it was attended by representatives from NHS Warwickshire, TB Nurse Specialists across Coventry and Warwickshire, the Health Protection Agency (HPA) and CCHS.

The workshop concluded that a joint proposal would be beneficial, providing a focus point and critical mass for the service across the local health economy, resulting in a better alignment of resources.

In view of the fact that a new service is being proposed, it was agreed that a final preferred host organisation could not be agreed, but the merits of an acute host versus a mental health provider organisation as a host would be assessed, these being the two main options locally available.

- ◆ A formal non-financial option appraisal was undertaken which identified that an acute hospital host organisation is the preferred model for these services.

However, as with the discussion around other Specialist Nurse Specialists (see Section 3.3.3), it was reiterated that any model needs to be underpinned by a clear pathway and service specification, and strong commissioning arrangements.

On the basis of the above, NHS Coventry and NHS Warwickshire are currently engaging with local acute trust providers with a view to delivering a joint service across the local health economy. These discussions are due to be concluded, with a view to having agreed a preferred acute host organisation, and the service to be transferred to the preferred organisation, by 1<sup>st</sup> December 2010.

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**1.3.2.5 Complex Children’s Services**

As with TB Nurse Specialist Services, the SHA requested that NHS Coventry and NHS Warwickshire explore the feasibility of commissioning a joint service across the local health economy. The two organisations have been unable to agree to a joint proposal, with NHS Coventry preferring to maintain its initial plans to keep Complex Children’s Services alongside Universal Children’s Services, and transferring these to CWPT. Therefore NHS Coventry’s plans remain unchanged for this service.

**1.3.2.6 Safeguarding Children**

The DH requested further information and rationale underpinning all PCT plans nationally for Children’s Services. Following an initial submission made on 4<sup>th</sup> June to the DH, the PCT was asked to submit further information, and a revised submission has been forwarded to the SHA, as attached at **Appendix D**. This does not impact on the proposals put forward for Children’s Services to transfer to CWPT.

**1.3.2.7 Dental Services**

The PCT’s initial plans proposed that Community Dental Health Services transfer to CWPT, with the exception of Orthognathics which would transfer to UHCW. Further discussions with UHCW have resulted in the decision to transfer Specialist Orthodontics and Orthognathics to UHCW, thus supporting UHCW’s ability to appoint an Orthodontic Surgeon to support the service.

Further to this, the SHA have requested that CCHS looks to deliver Community Dental Services on a cluster wide basis, covering Coventry, Warwickshire and Solihull. Proposals along these lines are being considered, and if agreed, would be delivered by the newly integrated organisation.

**1.4 Summary of TCS Proposals**

Taking into account the original TCS submissions and subsequent work and amendments, the PCT’s TCS proposals in summary now seek to:

- ◆ Integrate CCHS and CWPT into a single provider of community and mental health services;
- ◆ Transfer and integrate the services underpinning the following service lines into CWPT:
  - ◆ Long Term Conditions and End of Life (with the exception of Diabetes
  - ◆ Specialist Nurse Services);
  - ◆ Children’s & Families;
  - ◆ Intermediate Care;
  - ◆ Rehabilitation;
  - ◆ Promotion & Health Well Being (with the exception of TB Nurse Specialist Services);

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- ◆ Learning Disabilities;
- ◆ Community Dental Services (with the exception of Specialist Orthodontics and Orthognathics); and
- ◆ Out of Hours;
  
- ◆ Transfer and integrate the following services into UHCW:
  - ◆ Planned Care (at a service line level);
  - ◆ Diabetes Nurse Specialist Services; and
  - ◆ Specialist Orthodontics and Orthognathics.

### 1.5 Progress of TCS Organisational Form Proposals

#### 1.5.1 NHS Coventry TCS Commissioning Board

The PCT has established a TCS Commissioning Board to oversee its overarching TCS agenda, including the organisational form changes proposed to divest its community services, and wider areas of work around the development of service specifications and zero-based budgets against service lines, and achievement of the efficiencies programme. Terms of Reference for this Board can be found at **Annexe 5** in the Annexe of Supporting Information, and the Executive Lead for this Board is Alison Walshe, Director of Strategy & Delivery at NHS Coventry.

#### 1.5.2 Integration of CCHS and CWPT

A programme of work has been developed to progress the integration of CCHS with CWPT, underpinned by a robust project management approach and structure and a detailed programme of work, all of which is outlined in a Project Execution Plan (PEP) (attached at **Annexe 6** in the Annexe of Supporting Information). The project plan for the integration is set out in **Appendix E**.

The Senior Responsible Officer for the programme of integration is Stephen Jones, Chief Executive of NHS Coventry, with the sponsors being the Boards of NHS Coventry and CWPT. The Executive Lead for this process is Roisin Fallon-Williams, Director of Strategy and Business Development for CWPT, supported by Josie Spencer, Managing Director of CCHS.

#### 1.5.3 Transfer of Services to UHCW

- ◆ A Working Group is being established to oversee the transfer of agreed services to UHCW, and PCT, UHCW and CCHS leads have been identified and established.

A programme of work is being developed covering the following areas: Services & Contracts, and Human Resources & Workforce.

## **1.6 Transaction Proposal – Transfer of Services to UHCW**

### **1.6.1 Description of the Proposal**

This proposal seeks to transfer the following services and associated staff to UHCW by 1<sup>st</sup> December 2010:

- ◆ Long Term Conditions & End of Life Care:
  - ◆ Diabetes Specialist Nurse Services;
- ◆ Planned Care:
  - ◆ Clinical Assessment Services:
    - Ophthalmology;
    - Dermatology;
    - Urea Breath Testing;
    - Diabetes;
    - ENT;
    - Gynaecology;
  - ◆ Integrated Musculo-Skeletal Services including Clinical Assessment Services;
  - ◆ Specialist Orthodontics; and
  - ◆ Orthognathics.

A schedule of the services alongside the associated levels of activity and current contract values for services to be integrated with both UHCW and CWPT can be found at **Appendix F**.

### **1.6.2 Objective and Rationale for the Proposal**

The objective of the proposal is for the safe and effective transfer of services identified in section 1.6.1 above from CCHS to UHCW, in line with NHS Coventry's TCS proposals. This proposal has been approved by the SHA as the best model for planned care.

### **1.6.3 Benefits of the Proposal**

This proposal will deliver the following benefits for planned care:

- ◆ Greater scope for reduced waits from initial consultation to planned secondary care and tertiary interventions;
- ◆ Quicker access to diagnostics;
- ◆ Faster access to specialist opinions which will support earlier diagnoses;
- ◆ Reduces the potential for duplication of outpatient appointments through more integrated models of care.

Other benefits include:

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- ◆ Greater integration of the Diabetes pathway across Coventry, thereby enhancing the sustainability of the workforce.

#### **1.6.4 Financial Viability and Sustainability**

NHS Coventry is currently revising the specifications for the Planned Care services that it proposes to integrate with UHCW, and the value for the transferring services will be agreed between the PCT and UHCW once this work is complete.

#### **1.6.5 Commissioner Responsiveness**

##### **1.6.5.1 Commissioning Strategy & Plans**

The integration of some services with UHCW provides a vehicle for further integration of clinical care pathways to ensure seamless care for patients from assessment to treatment and therefore improved patient outcomes as well as delivering long term financial sustainability.

##### **1.6.5.2 Commissioning Intentions**

The commissioning intention for the above services is to negotiate a non-PBR local price. This could be via a local tariff, cost and volume or block contract arrangement.

##### **1.6.5.3 National Priorities**

Clear joined up pathways will ensure that patients are treated in the optimal time and that the 18 week referral to treatment target is maintained. The integration of services will give the best opportunity to avoid emergency admissions to hospital and offer patients the choice of alternative places of treatment.

##### **1.6.5.4 Contracting Arrangements**

It is envisaged that the services transferring to UHCW will form part of a contract variation for 2010/11 and remain outside of PBR tariff by a locally agreed price. These contractual changes will be made in line with the national acute services contract.

#### **1.6.6 Collaborative Commissioning**

CCHS is currently coterminous with Coventry City Council boundaries, whilst UHCW provides services to a wider population. The transfer of these services to UHCW will continue to ensure coterminosity remains with the Local Authority in Coventry.

The impact of the transfer on neighbouring PCTs will be minimal as the majority of Coventry residents choose to access local services and as the transferred services will be commissioned for Coventry patients only. A separate contract exists for NHS Warwickshire, the second largest commissioner of activity at UHCW, and therefore there will be no impact of the transfer on Warwickshire patients and services.

### **1.6.7 Whole System Fit**

UHCW has existing clinical capability within which these community services can be integrated, leading to seamless patient care across the clinical pathway with scope for future productivity and efficiency savings.

Services transferring to UHCW will be provided in the appropriate geographical location as mandated via the service specification. In some cases, this will be on an outreach basis in the community. This will ensure that services are suitably integrated with community and primary care services.

### **1.6.8 Market Management**

In 2009, NHS Coventry in conjunction with Price Waterhouse Coopers undertook a market analysis, the results of which can be found in **Annexe 7** in the Annexe of Supporting Information.

### **1.6.9 Governance & Organisational Ability**

UHCW received CQC ratings of “good” for quality of services and financial management in 2008/09, and are currently registered with the CQC without condition.

Due to the relative size of the transfer, it is envisaged that the governance arrangements and management systems for these services will be integrated within the existing infrastructure within UHCW.

All CCHS staff associated with these services will be TUPE transferred into UHCW to ensure that the Trust complies with statutory and government policy obligations.

## **1.7 Transaction Proposal – Integration with CWPT**

### **1.7.1 Description of the Proposal**

This business case is in support of the proposal to integrate NHS Coventry’s current community services provider CCHS with CWPT into a single provider of integrated community and mental health services, with the transfer and subsequent integration of the following service lines from 1<sup>st</sup> December 2010:

- ◆ Long Term Conditions and End of Life (excluding Diabetes Nurse Specialist Services);
- ◆ Children & Families;
- ◆ Intermediate Care;
- ◆ Rehabilitation;
- ◆ Promotion Health & Well Being;
- ◆ Learning Disabilities;

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- ◆ Community Dental Services (excluding Specialist Orthodontics and Orthognathics); and
- ◆ Out of Hours.

A schedule of the services at a service line level, alongside the associated levels of activity and current contract values can be found at **Appendix F**.

Underpinning this transaction is a draft financial envelope (**Appendix G**) and associated Financial Framework Agreement (**Appendix H**) that outlines the assumptions and principles by which NHS Coventry and CWPT are working towards to agree the final 2010/11 and 2011/12 contract values.

### **1.7.2 Objectives of the Proposal**

The objective of the proposal is to deliver the solution best assessed to deliver the PCTs requirement to divest itself of its community provider services. The proposal is in line with the DH's *Transforming Community Services: The assurance and approvals process for PCT provided community services* (February 2010), and seeks to integrate CCHS and CWPT into a single provider of integrated community and mental health services, delivering safe and quality services that contribute towards improved health outcomes for the local population, whilst delivering overall efficiencies to the PCT and local health economy.

### **1.7.3 Overall Benefits of the Proposal**

The integration of CCHS with CWPT to produce of a single provider of community and mental health services to Coventry and Warwickshire will:

- ◆ Support the overall model of care and the core business of providing services to the community in the community;
- ◆ Support the development of Integrated Community Health Teams, comprising staff from core Community Services (for example District Nurses, Community Matrons) and Community Mental Health Practitioners;
- ◆ In all probability lead to improved health outcomes and quality of care, when assessed against the alternative options for integration of services;
- ◆ Support a more holistic model of care by better integrating care for the physical and mental health needs of patients, particularly for patients with Long Term Conditions;
- ◆ Offer more opportunities for efficiency improvements, and scope for improved infrastructure utilisation through the rationalisation of shared premises;
- ◆ Provide clinical and financial sustainability of the services and to the local health economy;

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- ◆ Support and protect patient choice by integrating two non-competitors that do not currently provide the same type of service and do not usually refer patients to one another as part of the same care pathway;
- ◆ Support both NHS Coventry's Health Strategy and CCHS's Service Strategy, both of which have a focus on delivering improved health outcomes to those with Long Term Conditions, and an increasing focus on lifestyle risk management; and
- ◆ Enhance care and support in the community, in turn supporting demand management by reducing or avoiding acute admissions.

**1.7.3.1 Benefits to Patients and Population**

The integration of CCHS with CWPT was assessed to deliver a greater level of improved health outcomes over the other options assessed, and increased quality of care. As outlined above, a key part of this will be the integration of care and services for patients with both physical and mental health needs, delivered through Integrated Community Health Teams, which will serve to improve not only health outcomes, but also the quality of care delivered to patients.

The ways in which this will be achieved are listed in more detail in Section 6.

**1.7.3.2 Service Integration**

Benefits to be achieved from a service integration perspective include:

- ◆ Integration of core community health and mental health services and teams;
- ◆ Further integration of community and primary care services and workforce; and
- ◆ Provides linkages to both the mental health and community QIPP agendas, and therefore opportunities to jointly transform services.

**1.7.3.3 Sustainability**

This proposal has the benefit of supporting:

- ◆ The PCT's Health Strategy for out of hospital care, in particular, by supporting care of patients with long term conditions in the community, and offering extended choice for end of Life patients;
- ◆ Better case finding and earlier identification of needs will also support care out of hospital by avoiding or reducing acute hospital admissions;
- ◆ The PCT's Community and Primary Care strategic aims by developing more integrated primary and community teams, and maintains a focus on community based services.

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**1.7.3.4 Workforce**

The integration of CCHS and CWPT will result in:

- ◆ Integrated Teams will enhance the workforce's skills set;
- ◆ An enhanced workforce through an extended staff passport process across both core and specialist skills across community and mental health services.

**1.7.3.5 Other Benefits**

Other benefits this proposal supports are:

- ◆ Opportunities to explore more efficient use of community based facilities; and
- ◆ Integration of the existing mental health and community QIPP programmes provides an opportunity to transform services more innovatively across both community and mental health care.

**1.7.4 SWOT / PEST Analysis**

A high level PEST high level PEST and SWOT analysis of the integrated organisation has been undertaken and is set out in Section 6.4.

A number of actions have been identified to mitigate the identified weaknesses and threats.

**1.7.5 Commissioner Responsiveness**

**1.7.5.1 Commissioning Strategy & Plans**

The integration of CCHS with CWPT provides a vehicle for further integration of Primary and Community Teams to not only encompass physical health issues, but to also include mental health issues, recognising that many individuals with long term conditions have both needs.

NHS Coventry believes that by integrating physical and mental health services, there will be earlier identification of lifestyle risk behaviours and therefore addressing lifestyle risk management within the community population at an earlier stage.

The proposed integration strengthens the community focus of service provision and sets out a vision for developing teams to support GPs, manage patient flows into acute and take responsibility for onward care following acute admission.

**1.7.5.2 Commissioning Intentions**

The PCT's high level commissioning intentions are to work with the newly integrated organisation to ensure:

- ◆ Implementation of the community services specification review and subsequent productivity and efficiency savings of the community contracts value;
- ◆ Implementation of the Long Term Conditions Strategy;
- ◆ Development of CQUIN targets in line with the national framework; and

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- ◆ Development of outcome-related key performance indicators linked to performance framework.

### **1.7.6 Whole System Fit**

The integration of CCHS services with CWPT fits in with the PCT priorities for providing and expanding community services, thereby reducing acute and inappropriate admissions, a fundamental cornerstone of the long term sustainability plans for the local health economy.

The proposal also supports key milestones in the PCT's Health Strategy, in terms of supporting patients out of an acute setting and in primary and community care, particularly for those with Long Term Conditions, and by supporting more choice for End of Life patients.

The integration of these services also supports the case finding of more patients with Long Term Conditions before they reach an acute hospital, and improves the scope for reducing the numbers of inappropriate admissions to hospital.

The development of services into more integrated multi-disciplinary teams will provide scope for more effective delivery of services.

CWPT has an existing infrastructure within which community services can be integrated, leading to scope for efficiency savings and overhead cost reductions, particularly around support functions. These will be used to help to achieve the efficiency savings required over the coming years.

### **1.7.7 Market Management**

In 2009, NHS Coventry in conjunction with Price Waterhouse Coopers undertook a market analysis, the results of which can be found in **Annexe 7** in the Annexe of Supporting Information. Following on from this work, NHS Coventry has developed a system management approach to managing the market. The key area for market testing is sexual health where it has been identified that there is potentially a capacity gap for delivery of sexual health priorities.

## **1.8 Financial Viability & Sustainability – CCHS & CWPT**

### **1.8.1 Integrated Business Plan for Merged Organisation**

Both CCHS and CWPT have in place 5 year financial plans that demonstrate financial viability and sustainability as individual organisations. The intention is to bring these plans together as part of CWPT's Foundation Trust application process, with an Integrated Business Plan for the combined organisations from 2011/12 onwards.

## **1.8.2 Existing CWPT & CCHS Cost Improvement Plans**

### **1.8.2.1 CCHS Cost Improvement Plans**

While CCHS has in the last 3 years contributed to the achievement of the PCT's overall financial targets, and has in each year made a small trading surplus, it is recognised that financial stability can only be achieved through: a continuous review of CCHS's existing business; the expansion of its business; through a challenge of its cost base; and through the TCS agenda.

Based on government spending plans, CCHS's current cash releasing savings for the current and future financial years averages at £2million per annum. This figure is likely to be subject to review under a new Government with the possibility of this already challenging target increasing further.

CCHS is working to achieve the cost improvements in line with national targets over the coming years through a broad range of schemes underpinned by its QIPP Programme. The Programme currently comprises a total of 10 projects identified as key priority areas for not only meeting those savings, but to drive its programme of radical transformation of services. Further details are set out in Section 7.2.

### **1.8.2.2 CWPT Cost Improvement Plans**

CWPT has an excellent track record of CIP delivery through recurring cost reduction schemes and CIP performance reporting through the organisation to Board level, which has achieved circa £22 million during the last five years.

The Trust's Leadership Team, made up of operational and corporate managers and senior clinicians, oversees the CIP delivery plan. The current plan for the next three years includes a number of significant changes to service delivery to realise both increases in productivity and efficiency savings including in the following areas:-

- ◆ Implementation of Productive Series (Lean Programme)
- ◆ Re-design of older peoples mental health services
- ◆ Re-design and development of an integrated MH rehabilitation service
- ◆ Community teams rationalisation and re-design
- ◆ Moving from an NSF model to a New Horizons approach

In addition, CWPT is working with both NHS Coventry and NHS Warwickshire in relation to the QIPP out of area placements workstream.

## **1.8.3 Proposed Integration Savings Plan**

All parties are working towards identifying opportunities to deliver management/back office function cost reductions and further efficiencies from the integration of clinical pathways. All parties have agreed to undertake a detailed re-specification of the former CCHS community service portfolio and to complete a zero based costing exercise for each re-specified service

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to determine an appropriate and sustainable contract value. Whilst it is anticipated that this will identify cost efficiency opportunities, this cannot be guaranteed until the detailed work is complete.

The service, financial and activity consequences of this exercise will be negotiated via the normal contractual processes.

Also, as part of its financial sustainability programme, NHS Coventry is pursuing a programme of estates rationalisation with a potential recurrent value of £0.5m. Whilst the full implementation plan is still to be finalised, the rationalisation potentially includes a number of properties that are currently used for the delivery of CCHS services. As the future provider organisation, it is expected that CWPT will work constructively with the PCT to achieve this identified first tranche of estates rationalisation.

#### **1.8.4 Financial Assessment**

Both CCHS and CWPT have in place 5 year financial plans that demonstrate financial viability and sustainability as individual organisations. Assurance will be sought through the external due diligence exercise that post-integration CWPT remains a financially viable organisation with a robust LTFM that will meet requirements to achieve Foundation trust status.

The Boards of both NHSC and CWPT will ensure compliance with NHS trust mergers and reconfigurations finance and accounting issues.

Via the joint programme of work to identify efficiencies described above, it is anticipated that the integration will achieve significant cost benefits.

The re-specification and zero-based costing of former CCHS services is intended to provide Coventry commissioners with assurance that they are paying a reasonable price for the services they receive and accordingly, provided agreed quality standards are being achieved, this should minimise the risk of any major scale re-tendering.

The national policy to open up the market for community services through increased use of Any Willing Provider constitutes a risk for certain service lines, (eg. Sexual Health, GUM and some Therapy services) but again, the re-basing exercise should ensure that CWPT is offering competitively priced services.

### **1.9 Stakeholder Engagement & Support**

#### **1.9.1 Stakeholder Engagement to Date**

In developing the TCS proposals for the Stage 1 and Stage 2 SHA submissions, stakeholders were either involved with the developing the plans or have been consulted with as follows:

- ◆ NHS Coventry and CCHS representatives were invited to participate in the options appraisal exercise underpinning the PCT's February TCS submission;
- ◆ The process undertaken for developing the Stage 1 submission and results were also shared with the following key stakeholders:

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- ◆ Director of Strategy and Business Development for CWPT;
- ◆ Chief Executive of UHCW;
- ◆ NHS Warwickshire Executive Team;
- ◆ Director for Adult & Social Care and Director for Children's Learning & Young People at Coventry City Council;
- ◆ The Overview & Scrutiny Committee;
- ◆ Staff-side;
- ◆ LMDC;
- ◆ PBC; and
- ◆ Heads of Clinical & Support Services.

Since submitting the initial proposals in February, a number of engagement activities have taken place and continue to take place (see Section 8 for more detail).

#### 1.9.2 Stakeholder Engagement & Communications Strategy

To ensure that all parties involved with the integration continue to communicate openly and transparently with all stakeholders during this period of organisational transformation, an Engagement & Communications strategy and plan has been developed.

The strategy focuses on internal and external stakeholder engagement, and the methods by which this will be achieved. It also encompasses a plan that provides more specific detail in relation to the communication vehicle to be used and the timeline for activity going forward, in the lead up to the transfer date of 1<sup>st</sup> December 2010.

The Engagement & Communications strategy is currently being reviewed in light of the recently issued advice from the Department of Health in relation to the duty to involve, in accordance with Sections 242(1B) and 244 of the NHS Act 2006.

A copy of the strategy and plan can be found at **Appendices I and J**.

#### 1.10 Governance & Organisational Ability - CWPT

##### 1.10.1 Management Team for Integrated Organisation

The CWPT Board have considered and agreed the Board level structure required to support the integration with CCHS, with the appointment within appropriate timescales of an additional Non Executive Director and an additional Executive Director of Operations (Community Services).

The Board supports the need to provide dedicated senior leadership to Community Services at the point of transfer and through the transition, and to ensure responsibility for creating the environment and providing the appropriate leadership for delivery of the integrated transformation agenda at the most senior level in the organisation. This approach also

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ensures key skills, expertise and knowledge in the field of Community Services is embedded at the top of the organisation and at all other levels.

The transfer of CCHS Corporate Services will be aligned to CWPT's Corporate Services from day one. A proposed operational structure for Community Services has been designed which adopts the General Manager / Clinician Partnership approach of the recently appointed to CWPT structure. Within this operational structure, there is one post that will have dual accountability from day one, with a view to moving to the corporate structure within 9 months of the transfer.

### **1.10.2 Transferring and Integrating the Organisations**

The ongoing programme of integration after 1<sup>st</sup> December 2010 will be managed using the Office for Government Commerce's *Managing Successful Programmes* (MSP) methodology, thus providing a structured framework to manage the integration of the organisations and to realise the resultant benefits, whilst maintaining the performance and effectiveness of the existing business operations throughout the transition.

Accountability for the delivery of the programme will be held by the Senior Responsible Owner (SRO) who will lead the Programme Board and ensure that the programme organisation has the necessary skills and experience required to deliver the change.

The CWPT Board have considered and agreed the leadership arrangements that will be put in place to ensure continuity of service delivery, a safe approach to the transfer of services and staff, and the transition to integration that will support the culture to enable transformation and delivery of the vision for the integrated organisation.

Additional Board level posts will be established within appropriate timeframes in both Executive and Non Executive roles.

The organisational development and staff engagement regime is being developed and will be delivered via the Chief Executives directorate to ensure co-ordination and link to strategy in the early stages of the transfer.

### **1.10.3 Fit for Purpose**

CWPT have engaged Price Waterhouse Coopers at an early stage and have utilised their expertise to assess the appropriateness of approach, potential for success, to advise on capability and to undertake Due Diligence with respect to the process of integrating with CCHS.

The process adopted thus far, the focus of the workstreams and the agreements reached by CWPT Board in relation to Governance and future leadership structure, are all designed to ensure on-going fitness for purpose and to risk mitigation.

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**1.10.4 Workforce**

Both CWPT and CCHS have submitted detailed workforce plans to the SHA and Commissioning PCT's as part of the annual workforce planning cycle. These are currently separate documents that reflect the position of the individual organisations and will remain so this financial year to allow the two organisations to achieve the current internal plans for 2010/11.

**1.10.5 Corporate Governance**

CWPT has well established corporate governance structures and procedures in place which have been subject to external scrutiny for a number of years. It has been subject to a due diligence review by Grant Thornton as part of the FT application process, which included corporate governance. An action plan was subsequently developed, all actions from which were completed at the beginning of 2010.

**1.10.6 Clinical Governance**

**1.10.6.1 PCT Governance**

The PCT has an Integrated Governance Committee, a Sub Committee of the Board, which reviews all aspects of clinical governance and has a particular focus on patient safety and quality. The committee is chaired by a Non Executive and members include the Medical Director and Director of Nursing, other Directors and a GP PEC member. Key Board members from CCHS Board also attend.

**1.10.6.2 CCHS Governance**

The CCHS Integrated Governance Committee receives reports on all aspects of clinical governance including audit plans and results, has ongoing responsibility for providing assurance on quality standards and for monitoring progress against improvement plans, and is informed by: the Infection Control Operational group; Health and Safety Committee, Provider Safeguarding Committee; Clinical Audit Committee; and local Integrated Governance Groups, and receives reports on serious incidents, risk, complaints etc on a regular basis.

Other forums / groups exist as follows:

- ◆ Operational Integrated Governance Forum;
- ◆ Local service level governance groups;
- ◆ Clinical Practical Advisory Group; and
- ◆ Medical Advisory Committee.

Clinical leadership is provided at service level within all disciplines and service areas and this structure is key to ensuring the engagement and involvement of staff with the 10 QIPP projects which are underway.

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CCHS has unconditional registration with the CQC and fully achieved its CQUIN scheme for 2009/10. CQUIN targets have been agreed for 2010/11 which will further drive the quality agenda in combination with an extensive set of quality performance indicators.

### **1.10.7 CWPT Clinical Governance Structure**

CWPT has a Safety and Quality Committee, a Sub Committee of the Board, which reviews all aspects of clinical governance and the patient safety and quality of care agenda. The committee is chaired by a Non Executive Director and members include the Chair, Chief Executive, Medical Director, Director of Quality, Safety and User Experience, and other Directors.

The Committee is informed by the Infection Control Committee, Significant Incident Group, Health and Safety Committee, Information Governance Committee, Clinical Audit and Effectiveness Committee and local Governance Groups and receives reports on serious incidents, risk, complaints on a regular basis.

There is a Policy Review Group, Chaired by the Deputy Director of Governance, which oversees the development and review of clinical policies and procedures, including consultation with clinicians, which are then formally approved by the Safety and Quality Committee and, as appropriate, other Board Committees.

### **1.10.8 CWPT Clinical Leadership**

CWPT has two clinical Executive Director posts, a Medical Director (currently a job share) and a Director of Quality, Safety and User Experience. Clinical engagement and leadership is facilitated at a service level through the service speciality structures with an Associate Medical Director, Psychological Therapy, Lead Nurses and AHP professional leads in each service area. These are aligned with the managerial structure to ensure that the three dimensions of quality; patient safety, effectiveness and patient experience are central to Trust's business model and service delivery.

The Trust has a Medical Advisory Committee, Nursing Advisory Committee and Allied Health Professionals Advisory Committee. There are plans in place to develop a multi-disciplinary Professional Advisory Committee to strengthen multi-professional clinical leadership within the Trust across all service specialities.

### **1.10.9 Newly Integrated Organisation**

The Governance & Legals workstream established to oversee the integration process is currently reviewing key clinical governance arrangements and processes that need to be revised in light of the new structure being put forward, and the staff and services that are transferring.

Existing CCHS and CWPT arrangements and processes are being reviewed, and the arrangements and processes required for the newly integrated organisation for "day 1" are being developed and worked through. There will be identification of any arrangements and

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processes that are required to remain as per current systems for risk management and safety reasons; these will be addressed as soon as possible after the transfer.

Once CCHS have transferred into the Trust they will integrate into the Trust's current Clinical Governance Structures above. They will have reporting lines i.e. serious incidents as a Service Speciality in line with other Service Specialities within the Trust. The Trust Director of Safety, Quality and Service User Experience, who is the lead Executive Director for the Safety and Quality Committee, will be responsible for this integration.

The Trust's Governance Team will support the development of a Community Health Service Speciality Governance Group building on the current arrangements in place.

### **1.11 Service Continuity and Safety**

The PCT and CWPT have robust organisation wide, major emergency plans and business continuity plans which are subject to regular testing and that are externally validated. In addition all key Departments/Directorates have business continuity plans which are subject to local testing and updating.

CCHS has specific business continuity plans for each service and back office support function which are reviewed annually. The 2010 plan is being updated with a schedule of work to include the overall updating of individual service plans.

All three organisations are currently working together to integrate, where possible, their existing plans or agree where this is not immediately possible the continuance of their separate plans. Where existing plans are changed, a training and awareness programme will be needed for staff who are affected and additionally, coordination with external stakeholders who together jointly ensure emergency planning cover is comprehensive and complimentary within the local community.

### **1.12 IT Strategy**

The Coventry and Warwickshire Partnership Trust and Coventry PCT established a shared service for IT in October 2006/7, which presently supports CCHS, the Partnership Trust and the commissioning arm.

Both organisations have invested heavily in developing platforms that support new ways of working and security and now have robust and fast secure networks to the majority of their catchment areas. The Partnership Trust is in the final stage of the Community of Interested Networks (COIN) implementation , and both organisations are now being equipped with a universal approach to the desktop, voice over IP (VOIP) and multi function printing devices accessible around the network. These initiatives are releasing real efficiency with several cost improvement programme targets being met by their introduction.

In addition to the shared technologies, both organisations benefit from the shared policy and governance structures that support IT and Information use.

## **1.13 Benefit Realisation and Risk Management**

### **1.13.1 Benefit Realisation**

The process of appraising and identifying the preferred solutions for divesting community services has given rise to a number of expected benefits, both qualitative and non-qualitative, the majority being around the integration with CWPT.

As part of the FT application process, CWPT will be required to update its Integrated Business Plan to reflect the integration with CCHS, and the benefits of integrating the two organisations will be described and subsequently monitored through this process.

### **1.13.2 Risk Management Plan**

A Risk Register has been developed which identifies the key risks of achieving the TCS proposals.

The CCHS / CWPT Integration Project Team have put in place a process to ensure the identification, recording and assessment of risks in relation to the integration with CWPT.

Risks are regularly assessed by the Project Team and those affecting the wider TCS agenda or require escalation to the PCT's TCS Board are raised by the Executive Leads.

## **1.14 Conclusions**

This business case sets out NHS Coventry's proposals for transferring its community services to CWPT and UHCW Trusts. The proposals:

- ◆ Have been tested with GP commissioners and Coventry City Council;
- ◆ Are consistent with the aims of straightening the delivery of public health and health services for children;
- ◆ Have been developed with due consideration for choice and competition;
- ◆ Have been developed after consideration of a number of available options;
- ◆ Have been developed with a wide engagement of staff and stakeholders;
- ◆ Will be implemented by April 2011 in line with the national timetable – the target for implementation is December 2010

The proposals meet the key criteria set out in the NHS Operation Framework for 2010/11 and:

- ◆ Are needs and pathway driven;
- ◆ Will provide more integrated and sustainable primary, community and secondary care services, which have the support of primary and social care;
- ◆ Will deliver improved quality, including better patient experience as well as increased productivity;

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- ◆ Are affordable, reducing management and transaction costs;
- ◆ Will help to manage the demand for services more effectively;
- ◆ Demonstrate that the receiving organisations have a track record of leadership capability, governance structures and culture to engage and empower staff to lead service transformation;
- ◆ Will support a viable provider market across the local health economy in light of the drive for greater quality and productivity;
- ◆ Represent an appropriate level of contestability.

The NHS West Midlands is asked to approve these proposals in principle and recommend the proposals to the Department of Health. The approval of the Cooperation and Competition Panel will be sought in tandem with the SHA/DH approval process.