

# ICO Project 2010:

29<sup>th</sup> July 2010

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## Future Organisational Arrangements for Brent Community Services: Option Appraisal

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### 1. Purpose

- 1.1 This paper reports on a further formal appraisal which has been completed within NHS Brent of the options for the future organisation of Brent Community Services. It sets out the factors which have been considered, the range of options which have been evaluated, the evaluation criteria which have been applied and the process followed for completing the exercise.
- 1.2 The need for this process arises because of the need to confirm the direction of travel for Brent Community Services prior to an assessment by the Competition and Collaboration Panel. PEC and PbC are also being asked to endorse the preferred option.
- 1.3 The Board is asked to endorse the option appraisal which has been undertaken and to confirm that the preferred option for the future of Brent Community Services (BCS) is to form an Integrated Care Organisation (ICO) with Ealing and Harrow Community Services and Ealing Hospital NHS Trust.

### 2. Background

- 2.1 The Board has already discussed the potential future arrangements for BCS on several occasions in the light of national policy directives on the separation of community service provision from other functions of the PCT. An earlier proposal to create an ICO without the inclusion of BCS has now been amended to include these services as a full element of the new organisation from its commencement.
- 2.2 The proposal to create an ICO will be reviewed by the Cooperation and Competition Panel (CCP) and thereafter must be approved by NHS London and cleared by the Department of Health. All aspects of this approval process require that the participating organisations have undertaken a structured appraisal of the options for the future organisation of community services in the three boroughs and acute services at Ealing Hospital and confirmed that the ICO is their preferred option.

**2.3** The Boards of NHS Ealing and NHS Harrow have previously considered and approved an appropriate option appraisal for the earlier ICO plan without the inclusion of BCS at the time of implementation. These organisations are currently in the process of formally affirming that this remains their preferred option with the inclusion of BCS.

**2.4** NHS Brent has yet to complete an option appraisal for the future of BCS in a form that would satisfy the Competition and Collaboration Panel. This paper records the process which has now been undertaken. The process needs to be completed and documented before 20<sup>th</sup> August 2010. This is so that, if the formation of an ICO is confirmed as the preferred option, it will be possible to include NHS Brent's formal decisions in a submission to the CCP in sufficient time for it to make a decision to approve the ICO before the end of 2010.

**2.5** In parallel an engagement and communication process is being undertaken to ensure GPs and local authorities understand the ICO proposals and are support of it.

### **3. Context**

**3.1** There are a number of external contextual factors which have been considered in undertaking the options appraisal. These have also been identified in the exercises undertaken by NHS Ealing and NHS Harrow. They include the following:

- The agenda set by the Transforming Community Services initiative
- Substantial changes in commissioners requirements for community services to reflect changing demographic profiles and greater focus on care outside acute hospital settings
- Parallel changes in the mix of providers' and their delivery of community services
- Plans for reconfiguration of acute services to achieve more effective concentration of specialist services whilst maintaining outpatient and diagnostic services closer to local communities
- The expectation that all NHS provider organisations will achieve Foundation Trust status within a finite time period
- The latest developments in government policy, giving responsibility for commissioning services to GPs and enhancing the arrangements for the NHS to work in partnership with local authorities
- The uncertainty regarding NHS London's plans for the development of health care services the capital and in particular in the North West sector
- The considerable financial constraints now being applied to public sector spending and expectations of substantially increased productivity within the NHS

#### 4. Organisational Forms

4.1 The appraisal has also included consideration of the different organisational forms for the future provision of community services. The forms currently deemed to be acceptable are:

- A Community Foundation Trust
- Integration in a Foundation Trust
- A Social Enterprise

4.2 The evaluation of options has been influenced in part by their perceived potential for success in achieving one of these forms.

#### 5. Options

5.1 An initial long list of options for the future of BCS comprised the following which were discarded:

- **Do nothing** – unacceptable as it runs counter to national policy
- **Dispersal to Various Providers** – unacceptable because of the failure to retain a strong borough focus and pursue synergies with other community and acute services and possibility of being left with a rump of orphan services
- **Merger with Primary Care Organisation** – not available as there is no sufficiently developed primary care organisation capable of taking on BCS within the timescales required by government policy

5.2 There remained a **short list of five options**, each of which has its own opportunities for the final organisational form to be adopted:

1. Stand-alone Borough-based community services, operating as either a Community Foundation Trust or a Social Enterprise
2. Join with another NHS community service provider ( Barnet or Inner NW London) to operate as a Community Foundation Trust
3. Join with an acute hospital trust (North West London Hospitals), later seeking to become a Foundation Trust
4. Join with a mental health provider (Central & North West London NHS Foundation Trust), becoming part of an established FT
5. Join with the community services of Ealing and Harrow and Ealing Hospital NHS Trust to form an ICO, later seeking to become a Foundation Trust
6. Join with Ealing and Harrow Community Services (without EHT), looking to become a community Foundation Trust

#### 6. Evaluation Criteria

6.1 A structured appraisal of the options for future provision must be based on a clear set of predetermined criteria. Building on the work previously

undertaken by NHS Ealing and NHS Harrow, the following were agreed as appropriate for the NHS Brent exercise:

1. **Meets local commissioners and other stakeholders aspirations** – creates incentives to reduce overall use of healthcare services, supports patient choice, maintains safety and quality, attracts GP support
2. **Creates capability to transform local community services** – secures strong clinical leadership, efficient business management, good partnership working
3. **Enhances focus on transforming local community services** – enhances degree of attention given to productivity of community services, able to focus on development of whole care pathways, supports wider healthcare strategies, promotes quality of service
4. **Able to offer/improve services and care pathways in partnerships beyond the local borough** – strategic fit with other sector developments, able to improve service delivery for local population involving providers outside local borough, able to assist delivery to wider populations
5. **Attracts staff to work in local community services** – offers staff benefits, improves potential for recruitment and retention of staff, enhances organisation's reputation for quality
6. **Achieves financial viability and a balanced budget at establishment** – avoids inherited financial problems, meets Monitor's expectations
7. **Supports future financial viability with potential to grow/withstand losses** – able to withstand increased competition from other providers, has potential to win new business, has critical mass to survive loss of services
8. **Creates scope to reduce overheads/inefficiencies** – achieves economies of scale, reduction in corporate service overheads, potential for more effective service redesign
9. **Meets prescribed policy objectives and timescales** – complies with DH, NHS and NHSL requirements, separation of community services by April 2011, reaching FT status by 2013

## 7. Appraisal Exercise

**7.1** The options and evaluation criteria set out above were reviewed and agreed by the NHS Brent Executive Team at its meeting on 14<sup>th</sup> July. A scored evaluation was then undertaken by the team working as a group. The results of this exercise are set out in the attached table.

**7.2** The exercise will subsequently be reviewed by PEC and PbC.

**7.3** Throughout these appraisals scoring has been in a range of 1 (very poor) to 10 (excellent) for each specific criterion. It was decided that no weightings should be applied to the criteria used.

**7.4** Once completed, the various scores have been collated and an analysis of the overall results prepared. This includes a sensitivity analysis in respect of the preferred option. See Appendix 1.

## **8. Conclusions and Recommendation**

**8.1** The scoring shows that the preferred option is the ICO, with joining another community provider as the next most highly rated and joining Ealing and Harrow community services as third. These rankings are all sensitive to relatively small changes in the scorings when compared with the other three options, however it should be noted the second preferred option scored low on deliverability, largely because the Inner North West London provider has been authorised as a potential FT and would be unwilling to partner with BCS at this point.

**8.2** The scoring confirms the Board's previously agreed preferred position and it is asked to re-confirm its support for BCS joining the integrated care organisation with Ealing Hospital and Ealing and Harrow community services.