

## **Proposal for the integration of NHS Newham Provider Services with East London NHS Foundation Trust (ELNFT)**

### **Summary of Benefits to Patients and Taxpayers**

#### **1 Introduction**

The purpose of this document is to summarise some of the key benefits to patients and taxpayers of the proposed integration between NHS Newham Provider services (known as Newham Community Health and Care Services: NCHCS) and East London NHS Foundation Trust.

Newham Community Health and Care Services, currently part of NHS Newham, is a provider of a wide range of community services including rehabilitation, children and young people's services, specialist services and urgent care provision.

Newham Community Health and Care Services successfully achieved Autonomous Provider Organisation status in 2009 and was one of the few London based Community Provider Services to be accredited business ready by NHS London without any outstanding conditions.

East London NHS Foundation Trust is a provider of mental health services for the London Boroughs of Newham, Tower Hamlets, Hackney and the City of London. East London NHS Foundation Trust was authorised to operate as an NHS Foundation Trust in November 2007. The Trust was formerly known as East London and the City University Mental Health NHS Trust. In April 2007, the Trust was awarded University status in recognition of the extensive research and education undertaken in the Trust. The Trust provides a wide range of community and inpatient services for children, young people, adults of working age and older adults.

#### **2 Background to the proposed integration.**

In common with other PCTs, NHS Newham wants to determine a host for its arms length provider services.

The NHS Newham Board commissioned an options appraisal process with a view to determine the most appropriate and viable organisational arrangement for the provider services. The appraisal process identified that merger with a suitable partner was the best option for the Provider Services. The NHS Newham Board then developed this option appraisal to evaluate the partners best placed to host the provider services. The assessment criteria were based on the ability of the prospective host to demonstrate:

- Why is integration with the organisation in the best interest of the patients?
- How will integration ensure and develop sufficiently high quality standards of care?
- How will the integration provide improved value for money?
- A plan to innovate further to improve patient care, patient experience and VFM.
- How the integration will protect the primacy of GP gate keeping function

The bid submitted by East London NHS Foundation Trust was assessed by the NHS Newham Board to be the preferred bid.

NHS Newham in conjunction with the London Borough of Newham as its key commissioning partner, plans over the next twelve months to undertake market analysis for Long Term Conditions, Urgent Care, Diabetic Retinopathy and Planned Outpatient Care. NHS Newham have procurement processes planned to procure over £5 million of services including, the Urgent Care Centre, Diabetic Retinopathy, Community Dental Services and an additional dental practice using the new PDS (Personal Dental Services) Plus agreement. More comprehensively, it has ambitious plans with Practice Based Commissioners to effect a step-change improvement in the delivery of community based services through local polysystems, and to achieve this through active management of the local market. Separation between Provider services and Commissioning is a key part of advancing this strategy.

### **3 Benefits to Patients**

Outlined below are the benefits that will be realised for patients by the merger:

#### ***3.1 Streamlining patient care pathways***

Patients would benefit from the provision of seamless, integrated health and social care services based on their individual needs. There will be better transition of care between services, and improved integrated planning and assessment. The integration of services will recognise that mental and physical health are intimately related, and help to overcome problems associated with stigma and access to services. For example, many patients with anxiety or depression problems present only with physical symptoms to the primary healthcare services, often due to the stigma of disclosing a mental health problem. The patient and the practitioner are left to unravel the complexity between mental and physical health and the associated health care costs are high. Conversely, patients suffering from chronic physical disease experience often intense psychological distress without receiving adequate care despite the fact that research demonstrates how holistic approaches lead to better outcomes. Previous research and the locally agreed Joint Strategic Needs Assessment have demonstrated a higher preponderance of Long Term Conditions in Newham. This links closely with mental and physical health needs needing to be provided in a holistic way towards moving care closer to patients in the community.

#### ***3.2 Stronger Governance***

East London NHS Foundation Trust has been assessed by Monitor as achieving: Financial risk rating 3; Governance risk ratings: Green; and, Mandatory services risk rating: Green. The Trust submitted a declaration of full compliance for the 2008/09 Annual Health Check. In March 2009, the Trust was awarded compliance with Level 2 of the NHS Litigation Authority risk management standards. East London Foundation NHS Trust is one of the better performing mental health Trusts in the country. As a large healthcare provider, the Trust has robust and well established governance systems in place that are subject to both internal and external inspection. The Trust's governance systems have been rigorously tested through the NHS Foundation Trust application process and continue to receive positive reports from internal and external monitoring processes. The application of these standards to the Newham provider services will enhance the governance and compliance of services provided to residents in the borough. In addition the move of Provider Services (NCHCS) will also allow for NHS Newham to focus on commissioning alone and to improve its World Class Commissioning competencies further.

### **3.3 Clear direction for Staff**

The integration of NCHCS with services currently provided by ELNFT will provide a clear direction for staff ensuring medium to long term stability which in turn will provide benefits to patients. Through the Options Appraisal process it was clear that pursuing an alternative option, would not have provided the same benefits. Recruitment and retention rates for staff, in a highly competitive and dense urban environment will be improved. The proposal will bring in the following staff benefits:

- Enhanced focus on training, supervision, and continuing professional development
- Creation of opportunities for sharing learning and good practice, innovation, research and development
- Improved performance in relation to recruitment of staff, and impact on service quality
- Certainty for staff and ease of transfer of staff and protection of NHS terms and conditions
- Ease of integration and economy between corporate structures and support services
- Staff will have direct access to an internationally renowned, but locally based academic unit for training and career development

The current organisational health indicators at East London NHS Foundation Trust have been a major priority for the Trust in the last year. The Trust Board set an ambitious target of reducing the vacancy rate to 6%, and an extensive recruitment campaign was launched. The vacancy rate was reduced to 7.6%% by March 2009. This means that the Trust has one of the lowest vacancy rates for comparable trusts in the country. Harmonising this initiative and support with that of NCHCS provider services will help in achieving improved patient standards.

### **3.4 Improved patient and public engagement**

East London NHS Foundation Trust has a representative public membership of over 8000 people, 2332 of which are Newham residents, and a Members Council which includes seven Newham representatives. The membership and Members Council provides a unique and direct opportunity to shape the Provider Services strategic direction and service developments. The proposal includes recruitment of users of the Provider Services as members and will involve them in decision making processes in order to improve the quality and responsiveness of services.

## **4 Benefits To Taxpayers**

Outlined below are the benefits to taxpayers of the proposed integration:

### **4.1 Cost savings**

Both Newham Provider Services (NCHCS) and East London NHS Foundation Trust currently have external Service Level Agreements (SLAs) for a range of patient care supporting services within Newham. There is scope to derive efficiencies by revisiting these support services arrangements. For example, East London Foundation Trust is currently tendering for its occupational health service and this provision could easily be extended to integrate Newham Provider Services at a marginal cost. A similar exercise will also be taking place in relation to other services. There will also be

opportunities for improved efficiencies and cost savings through economies of scale and better performance management of SLAs. Separate organisations will also ensure that both the Provider and the PCT understand the cost and effectiveness of community services and how costs are apportioned across the provider functions. Having clarity about the cost base enables recurrent cost efficiencies to be realised as efficiency is driven through the wide ranging changes ahead, as we transform community services and ensure that the maximum possible provision is made 'out of hospital', closer to where people live and wish to receive services they need.

## **4.2 Efficiency in service provision**

### **4.2.1 Human Resources**

East London NHS Foundation Trust has recently restructured its Human Resources [HR] service to ensure that they are fit for purpose. The latter has involved the setting up of local HR staff and resource within each of the borough-based locality directorates and the development of expert central staff and teams. To integrate and extend these functions with Newham Provider Services will ensure significant improvements in the overall provision can be achieved.

### **4.2.2 Estates**

East London NHS Foundation Trust currently has 15 properties in Newham and Newham Provider services are operating from 33 sites, of which a number are also used by the Foundation Trust. The Trust's estates strategy is to ensure that its properties are fit for purpose, value for money and provide modern and easy to access environments for staff and service users. To deliver this strategy and ensure optimum use of its sites, the Trust has agreed significant investment over the next 3 years.

The Trust's Newham Directorate Management Team is located within the Newham Centre for Mental Health located adjacent to the Newham University Hospital Trust site. There is potential to explore the co-location of these functions with the Newham Provider Services management team thereby vacating other estate and releasing further corporate and management savings. Costs and benefits of such changes will need careful consideration to ensure that costs are not merely or unwittingly passed to other organisations in the health economy.

### **4.2.3 IT solutions**

East London Foundation Trust has a well established and experienced Informatics, ICT and RiO deployment team as well as a bank of RiO facilitators to help local clinicians and other staff capture data easily and effectively and exploit the benefits of an electronic patient information system, available 24/7. In addition, the Trust has developed a Data Warehouse which produces routine clinical and performance information efficiently and reduces the significant burden on informatics and analyst staff's time and productivity.

Newham Provider Services has recently also deployed the RiO system and has yet to identify significant resources to establish a Data warehouse, and other ways of optimising capture and proactive use of information now more readily available. Through integration with the Foundation Trust's IM&T service and Data Warehouse project, deployment costs and burden on clinical and other staff could be significantly reduced.

#### **4.2.4 Service Modernisation Efficiencies**

The integration proposal will ensure GP gatekeeper function can be improved and to maximise utilisation of early intervention at a primary care level, and improve A&E liaison across primary care and mental health to divert away from admission. Naturally this will be determined in each instance by the specific clinical and care pathway. Development will be undertaken to explore the design of pathways to draw down and provide more economically certain clinical interventions that are currently provided only within hospital based facilities to be offered in future within GP practices, within community-based centres, and as part of home care through clinician led polsystem redesign.

Integration will enable community services to maximise and facilitate the implementation of front-line innovations and best practise across organisational boundaries; e.g. reducing 'Did Not Attends', and length of stay along the entire care pathway.

#### **4.3 Contractual relationship**

The merging of Newham Community Health and Care Services with East London NHS Foundation Trust will free up NHS Newham, in line with the guidance on Transforming Community Services, to work in a contractual relationship with all providers thus enabling NHS Newham and its partner commissioners to concentrate on procuring services through tendering and other forms of commissioning, thereby ensuring best value for money to taxpayers.

#### **4.4 Health economic Impact**

The proposed integration does not reduce the number of providers of community services in Newham. This will ensure market development is not adversely impacted and monopolistic market positioning which can adversely health economics does not develop. NHS Newham has set out ambitious market development plans in the Strategy and this integration will support the vision set out. The evidence is that there are a sufficient range of alternative Providers to ensure that the necessarily ambitious vision for Newham, with its relatively deprived population, is realised

## **5 Conclusion**

Though not exhaustive, this document has set out to highlight the key benefits that NHS Newham considered when making its decision to agree the integration of Newham Community Health and Care Services with East London NHS Foundation Trust.