

# REVIEW OF PUBLIC ADMINISTRATION: CONSULTATION ON DRAFT LEGISLATION TO ESTABLISH FIVE NEW INTEGRATED HEALTH AND SOCIAL SERVICES TRUSTS

## 1. Introduction

On 22 November 2005 the Minister for Health and Social Services, Shaun Woodward announced decisions on the reform of HPSS structures. The rationale for these decisions was to put in place structures, which are patient-led, patient-centred and patient responsive and which will free resources for investment in front line health and social services. The Minister's decisions, which were made after an extensive process of consultation as part of the Review of Public Administration, will be implemented on a phased basis over the next two years. As a first step in this process the number of Trusts providing health and personal social services will be reduced from eighteen to five. The operational date of the new Trusts will be 1 April 2007. This paper invites your views on the draft legislation giving effect to the Minister's proposals for Trust rationalisation.

## 2. Background

The consultation period on the Review of Public Administration ended on 30 September 2005. The RPA proposals were designed to *'transform the way in which public services are developed, organised and delivered, with a view to enhancing both political and financial accountability, as well as improving efficiency and cost effectiveness'*.

While the RPA was out for consultation Professor John Appleby, Chief Economist at the King's Fund, completed an independent review of health and social care services in Northern Ireland. The majority of the

Review's recommendations related to resource allocation and need, and strengthened performance management of the HPSS. Professor Appleby concluded that the continued separation of service provision and planning (commissioning) would prove important in sharpening incentives and managing performance to achieve required change.

Responses to the RPA consultation supported the need for improved performance by the HPSS. Consultees were also supportive of the need for a smaller number of health and social services organisations and some felt there was a need for a Regional Authority to manage the HPSS. There was also support for locality based commissioning.

### **3. The New Organisational Model**

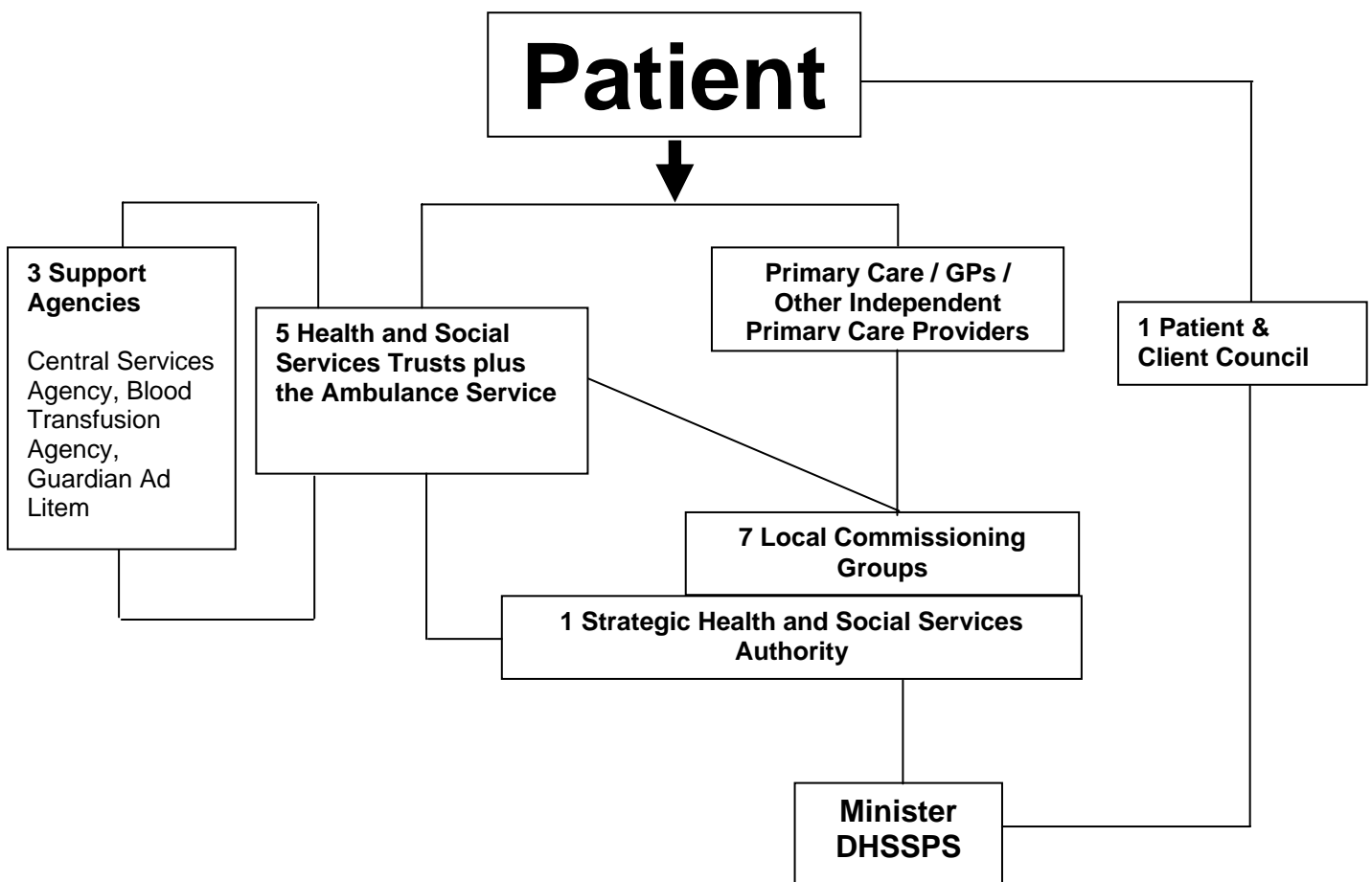
Taking these issues into account and building upon the earlier work undertaken in the context of the RPA, the Minister decided on a revised model. This model is described in Figure 1 and provides a set of organisational arrangements intended to support a rapid programme of reform and modernisation. The structures are designed to be patient responsive, more effective and efficient, freeing resources for investment in front line health and social services. The new arrangements include:

- abolishing the four Health and Social Services Boards and replacing them with a new Strategic Health and Social Services Authority which will be responsible for commissioning and for performance managing the health and social services, ensuring that services are accessible, responsive, high quality and efficient.

- A restructured Department of Health Social Services and Public Safety with some functions transferring from it to the new Authority and potentially to some other of the new HPSS organisations. The Department's primary function will be to set policy and targets and it will be a significantly smaller, more tightly focused body.
- seven primary care-led Local Commissioning Groups will be established, replacing the current 15 Local Health and Social Care Groups which will be abolished. These will be patterned on the proposed areas of the seven new District Councils. Acting as local offices of the Strategic Health and Social Services Authority, the Local Commissioning Groups will work in conjunction with GPs and other local primary care practitioners to commission services from Trusts.
- five new integrated Health and Social Services Trusts will replace 18 of the 19 existing Trusts bringing the total number of Trusts to 6, including the Northern Ireland Ambulance Service Trust, which will continue to provide a regional ambulance service. These larger, fully integrated Trusts will strengthen linkages between hospital and community-based services and deliver seamless services for patients and clients.
- replacing the 4 Health and Social Care Councils with a powerful single Patient and Client Council which will engage with individuals and communities to promote health and wellbeing, and ensure that services are responsive and patient-centred and that decisions reflect public priorities.

- incorporating the Health Promotion Agency into the new Strategic Health and Social Services Authority and the Regional Medical Physics Agency into one of the new Trusts, thus reducing the number of regional service delivery bodies to three. The remaining regional service delivery bodies will be the Central Services Agency, the Guardian Ad Litem Agency and the Blood Transfusion Agency.

**FIGURE 1: NEW ORGANISATIONAL MODEL FOR THE HPSS**



The Minister made clear his intention to bring in these reforms as quickly as possible. As legislation will be required to bring into full effect the new arrangements, however, implementation will take place on a phased basis over the next two years. The aim is to have the new Trusts fully operational by 1 April 2007 and the Strategic Health and

Social Services Authority in place by 1 April 2008. A Reconfiguration Programme Board chaired by the Department's Permanent Secretary has been established to oversee the reorganisation and a number of Project Teams are taking forward the main work areas arising from the decisions.

#### **4. The New HSS Trusts**

Although there will be a much smaller number of larger Health and Social Services Trusts (a total of 5 compared with 18 previously, excluding the NI Ambulance Service Trust), all of which will manage both acute and community-based services, their fundamental functions will remain as prescribed in the Health and Personal Social Services (Northern Ireland) Order 1991. As such they will facilitate joined up delivery across whole health economies, with an emphasis on providing earlier, less intensive interventions. They will also work more efficiently – with savings achieved from reductions in management overheads being diverted to enhance front line services.

In his announcement of 22 November 2005 the Minister described a proposed reconfiguration of the new Trusts, the rationale for which was based on an analysis of acute hospital catchments, as follows:

- The Western Area Trust – covering the current Sperrin Lakeland, Foyle and Altnagelvin HSS Trusts;
- The Northern Area Trust – covering the current Homefirst Community, Causeway and United Hospitals HSS Trusts;

- The Southern Area Trust – covering the current Craigavon Area Hospital Group, Craigavon and Banbridge Community, Newry and Mourne and Armagh and Dungannon HSS Trusts;
- The Belfast Area Trust – covering the current Belfast City Hospital, Royal Group of Hospitals, Mater Infirmorum, Greenpark, North and West Belfast, part of South and East Belfast and part of Down Lisburn (Lisburn District Council Area) HSS Trusts;
- The South Eastern Area Trust – covering the Ulster Community and Hospitals, part of South and East Belfast (Castlereagh District Council Area) and part of Down Lisburn (Down District Council Area) HSS Trusts.

## 5. Final Boundary Configuration

Since the Minister announced his proposals for Trust reconfiguration on 22 November 2005, the Department has received a number of representations in relation to the proposed splitting of Down and Lisburn and the South and East Belfast HSS Trusts.

The representations, put forward informally, have drawn attention to concerns that splitting these two Trusts could lead to problems in delivering effective and efficient services, based on the following reasons:

- **Promoting Effective Service Networks:** There are likely to be negative service impacts as a result of fragmenting a number of existing Trust-wide community health and social services.

Examples of such services include community psychology and psychiatric services.

- **Impact on Front Line Staffing:** Where existing Trusts are to be divided, staff serving on area-wide contracts would have the right to choose which new Trust they wish to join. This could result in the redistribution of staff in ways that do not reflect the service needs of patients and clients.
- **Service Balance:** There will inevitably be an imbalance in terms of staffing and resources between the new Belfast Trust and the other four Trusts. Such imbalances, while inevitable, are not to be encouraged. A key reason for creating larger Trusts is to maximise efficiencies of scale, particularly in terms of reducing the proportion of Trust expenditure allocated to management and administration. If this were the case, a larger South Eastern Trust would be more effective than a smaller Trust. In contrast a Belfast Trust with or without Lisburn and Castlereagh will already be large enough to maximise any potential efficiencies of scale.

## **6. Geographical Boundaries**

It is intended, therefore, that the operational areas of the proposed new Trusts should be based on an amalgamation of existing Trusts (ie. avoiding splits) as set out below. The existing local government districts that would be included within the new Trust boundaries are also shown:

- The Western Area Trust - amalgamating the current Sperrin Lakeland, Foyle and Altnagelvin HSS Trusts. This would include the current local government districts of Derry, Fermanagh, Limavady, Omagh and Strabane;

- The Northern Area Trust – amalgamating the current Homefirst Community, Causeway and United Hospitals HSS Trusts, and also Muckamore Hospital, which is presently managed by North and West Belfast Trust<sup>1</sup>. This would include the current local government districts of Antrim, Ballymoney, Ballymena, Carrickfergus, Coleraine, Cookstown, Larne, Magherafelt, Moyle and Newtownabbey.
- The Southern Area Trust – amalgamating the current Craigavon Area Hospital Group, Craigavon and Banbridge Community, Newry and Mourne and Armagh and Dungannon HSS Trusts. This would include the current local government districts of Armagh, Banbridge, Craigavon, Dungannon and Newry and Mourne;
- The Belfast Area Trust – amalgamating the current Belfast City Hospital, Royal Group of Hospitals, Mater Infirmorum, Greenpark, North and West Belfast, and South and East Belfast HSS Trusts. This would include the current local government districts of Belfast and Castlereagh. (In developing the new management and governance structures for the new Belfast Area Trust, consideration will be given to the special status of the Mater Hospital, as stipulated in its 1972 Deed of Arrangement);
- The South Eastern Area Trust – amalgamating the current Ulster Community and Hospitals, and Down Lisburn HSS Trusts. This will include the current local government districts of Ards, North Down, Down, and Lisburn.

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<sup>1</sup> The arguments under para 5 do not apply in this case because the relevant care teams are based at Muckamore.



In responding to this document, we would wish to have your views on this approach to determining the boundaries.

## **7. Timescale**

The aim is to dissolve the existing Trusts and have the new Trusts fully operational by 1 April 2007. To facilitate the transition it is proposed to enact legislation establishing the new Trusts from April 2006. By August 2006 Chairs, Non Executive Directors and Chief Executives will have been appointed to form Shadow Trust Boards from September 2006. Over the following months the Shadow Boards will appoint their senior management teams, develop their internal management structures and generally prepare to assume responsibility for the new organisations.

## **8. How to Respond to this Consultation**

We look forward to receiving your comments on the draft legislation attached. We are particularly interested in your views on the proposed boundaries for the new Trusts but would welcome your views on any other issues that we should take into account in reorganising the Trusts.

Please send your comments by 7 April 2006 to:

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