

## Transforming Community Services

Since 2005 the government has been intent on forcing Primary Care Trusts (PCTs) to separate their commissioning and provider functions to further the development of the NHS market in England. Renewed impetus has now been given to this process with the Department of Health's *Transforming Community Services* (TCS) programme. The key document is entitled *Enabling New Patterns of Provision* and is designed to aid PCTs in setting up a clear separation between their commissioning and provider functions, as well as outlining timetables for action and the organisational forms available for service delivery.

### What are PCTs required to do and by when?

By **April 2009** provision of services and commissioning must be split in each PCT, with commissioning functions taking on a contractual relationship with provider organisations.

By **October 2009** PCTs should have drawn up detailed business plans for transforming local services, setting out how they will increase patient choice, improve service provision and provide contestability and competition. They will also consider options for organisational forms.

### What organisational forms are available for PCTs?

PCTs could use any of the following routes to deliver services:

- **Arms-length provider organisations** – once PCTs have established separate governance arrangements for their commissioning and providing functions, they could continue to deliver services through their own arms-length provider organisations.
- **Integration with other NHS organisations** – this could involve “vertical integration” in which a PCT provider arm is linked up with a hospital through merger or joint management, or “horizontal integration” in which the provider arm is merged with other PCT provider arms, possibly as a first step to community foundation trust status.
- **Community foundation trusts** – PCTs could set their provider arms up as community foundation trusts, which would remain part of the public sector but with the autonomy from the NHS that other foundation trusts already enjoy. CFTs are likely to be established by groups of PCTs to satisfy the requirements of the FT regulator, Monitor.
- **Integrated care** – links with local authorities could include PCT provider arms becoming part of joint health and social care organisations through joint management, or services being delivered by new organisations such as care trusts or Integrated Care Organisations. It is likely that some ICOs will involve partnership with the private sector.
- **Non-NHS bodies** – this could involve some or all service provision being transferred to a social enterprise, or direct privatisation with private healthcare organisations brought in to deliver services.

## What is UNISON's position?

The process laid out in the TCS programme is designed to intensify the market in the NHS, which until recently has largely been restricted to the sphere of hospital care with initiatives such as Payment by Results. There is an explicit emphasis in TCS on PCTs having to demonstrate that they are boosting choice, contestability and competition.

The government says this is not about privatisation and that there is no favoured option centrally. However, social enterprises in particular have been pushed hard by the recommendations of Lord Darzi's NHS Next Stage Review, which attempted to make it easier for staff to transfer out of the NHS by setting up a social enterprise through the "right to request" option. And the entire process is designed to force PCTs to look beyond providing services directly themselves.

The government has been keen to point out that although some of its health reforms have slowed (for example, no further centrally-procured Independent Sector Treatment Centres) it wants to see more opportunities created for the private sector in primary care. This is amply demonstrated by the establishment of the new Cooperation & Competition Panel, which is designed in part to ensure that non-NHS healthcare providers get a "fair" chance at winning provider contracts from PCTs.

The NHS functions best when services are integrated and pulling in the same direction rather than competing against one another. This intensification of the purchaser-provider split will only lead to further fragmentation, to the detriment of patient care. The smoothness of patient pathways is bound to be affected by various services being broken off and handed over to different organisations to deliver.

Staff that are transferred from the NHS to other organisations could also find major problems with maintaining their access to NHS pensions and terms and conditions. In addition, there is no guarantee of the sustainability of all the new types of organisations, particularly during the recession. For example, a social enterprise could fail financially and cease operating, or be gobbled up by a private company that decides to lay off staff.

## What can be done?

- *Enabling New Patterns of Provision* states that staff and unions should be engaged early and fully consulted, with substantial involvement in debating the issues before any decisions are made. It is imperative that PCTs are held to these obligations.
- Full joint union guidance has been produced which is aimed at informing those involved in these discussions and consultations. This can be downloaded from [www.unison.org.uk/healthcare](http://www.unison.org.uk/healthcare).
- UNISON is organising its own briefings for activists and staff in each English region.
- It is essential that, in campaigning for continuing NHS direct provision, pressure is brought to bear on PCTs to make sure they give proper consideration to options that do not involve services leaving the NHS.