



**NORTHAMPTON**  
**BOROUGH COUNCIL**

**Council**

**27 March 2006**

Item No.

Report of Directorate:  
**Citizens, Governance and Finance**

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**Reconfiguring Primary Care Trusts  
in Northamptonshire**

**Purpose of Report**

The purpose of this report is to invite the Council to endorse the response to consultation on the options for reconfiguring Primary Care Trusts (PCTs) in Northamptonshire agreed by the Improvement Board on 16 March.

**Recommendations**

Council is recommended to:

Endorse the response made to the Strategic Health Authority in response to their consultation on the options for reconfiguring Primary Care Trusts in Northamptonshire.

**Summary and Links to Corporate or Recovery Plan**

A response (attached) and covering letter have been sent on behalf of the Council, following the Improvement Board decision of 16 March. This was necessary in order to meet the consultation deadline. Council is now being invited formally to endorse that response. This report repeats the background and analysis from the Improvement Board report.

The outcome of these changes may have an effect on partnership working on health issues. Working together in partnership is a key element of the Corporate Plan.

## **1 Background**

- 1.1 Primary Care Trusts are the cornerstone of the NHS, and receive 75% of the NHS budget. The strategic health authority area of Leicestershire, Northamptonshire and Rutland currently has nine PCTs, three of which are in Northamptonshire:
- Northampton PCT
  - Northamptonshire Heartlands PCT
  - Daventry and South Northants PCT
- 1.2 New systems within the NHS, such as 'practice-based commissioning' and 'payment by results', mean that PCTs' role will change. The new primary care trusts will focus on commissioning and public health. They will need significant expertise to support GP practices, assess the health needs of the local population, identify and plan new community services and negotiate contracts with a wide range of hospitals and service providers, expertise which is currently spread across all three PCTs in the County. They must also be ready to work more closely on joint commissioning with social services and other non-NHS partners.
- 1.3 A national consultation is now taking place, lead in each area by the Strategic Health Authority (SHA). As well as the factors above, reorganisation aims to reduce management costs, thereby releasing funding that can be reinvested in providing frontline health services.
- 1.4 The SHA has sought responses to its proposals by 22 March. Following discussion, Improvement Board on 16 March agreed to support the option of a single PCT for the whole of Northamptonshire, and a response plus covering letter to this effect were duly sent to the SHA. These are attached.

## **2 Summary of the proposals**

- 2.1 The SHA has proposed the following options for Northamptonshire:

### **Option 1**

- One PCT for the county of Northamptonshire

### **Option 2**

- One PCT for the north of the county, covering Corby, Kettering, Wellingborough and East Northamptonshire
- One PCT for the west of the county, covering Northampton, Daventry and South Northamptonshire

- 2.2 The stated aim of the SHA in carrying this out is to create organisations that are better able to :
- Secure high quality services
  - Improve the health of their local population
  - Improve public involvement
  - Improve commissioning and the effective use of resources
  - Manage financial risks and achieve financial balance

- Improve co-ordination with social services
- Deliver at least 15% reduction in management and administrative costs
- Improve engagement with GP's and rollout practice- based commissioning

### **2.3 Option 1**

Option 1 – the single county-wide PCT – is supported by Northampton PCT and by Daventry and South Northants PCT. It is also the SHA's preferred solution following its own appraisal process, and the option preferred by Northampton's Local Strategic Partnership. The key potential strengths are:

- Greater efficiency through reduction in overheads and hence economies of scale – allowing resources to be refocused to front-line healthcare services
- Greater resilience and stronger capacity for specialism
- More effective joint working through boundaries which match the countywide Local Area Agreement
- Greater ability to plan and integrate services strategically
- More financial flexibility
- A more attractive organisation for recruitment and retention of high-quality staff.

### **2.4 Option 2**

Option 2 – two PCTs, for north and west Northamptonshire – is supported by Heartlands PCT. The key arguments for this option are that:

- Smaller PCTs would be less remote from the populations they serve, and hence could better reflect the particular needs and demands of communities and other stakeholders
- Communication between the PCTs and their communities would be easier and better, with shorter and more natural links
- The two PCT option matches the structure set up to manage growth in the county, and hence fits the way in which strategic infrastructure will be being planned.

2.5 The strengths of each option can be seen as the potential weaknesses of the alternative.

## **3 Assessment**

3.1 Evaluating the two options against the aims of the reconfiguration suggests that both options have points in their favour. Option 1 perhaps offers the potential for more efficient use of resources (financial, personnel and specialist) and a match with LAA structure, while option 2 may be able to deliver more locally-sensitive service and a match with the growth agenda structure.

3.2 Improvement Board felt that the support of the majority of health-based organisations and other agencies in the county for the single PCT option, the clearer alignment with social services which this would give

and the assurances given about the strengthening of local responsiveness indicated that this option (Option 1) should be preferred.

#### **4 Financial Implications**

- 4.1 There are no obvious direct financial implications for this Council. There is some potential to reduce the costs associated with liaising with several bodies, but the great majority of such transactions on health matters are already with only one PCT.

#### **5 Social Impact**

- 5.1 Arguments for both options stress the potential for positive impact on people's quality of life through improved delivery of health services. Option 1 carries the potential for releasing resources to front line service through improved efficiency, while option 2 might in theory be more sensitive to local social issues.

#### **6 Conclusions**

- 6.1 Following a full debate which recognised the merits of both options, Improvement Board concluded that Option 1 was to be preferred, and a response has been made to that effect. Council is invited formally to endorse that conclusion.

#### **Consultees**

Northampton Local Strategic Partnership and the existing PCTs have been consulted as part of this process and their views are reported above.

#### **Background Papers**

'Consulting on New Primary Care Trust Arrangements...' – Leics, Northants and Rutland SHA (Dec 2005)

'The View of Northampton PCT' – Northampton PCT (Feb 2006)

Position Paper – Heartlands PCT (Jan 2006)