
Select Committee on Health and Adult Social Care – 21st September 2006

Report of the Lead Officer to the Committee

Health reform in England: update and commissioning framework

Purpose of Report

1. To consider the “Health Reform in England: update and commissioning framework” and to consider the questions for consultation raised in the document.

Background

2. Although some of the key planks of the NHS reform programme, such as Payment by Results and patient choice began to take shape from 2003 it is only recently that the Department has begun to publish guidance, aimed at people working in the NHS, that attempts to communicate why reforms are necessary and how they will mesh together. The first document “Health reform in England update and next steps” was published in December 2005. It promised further policy guidance, including the Operating Framework which was published in February 2006. In July 2006 the Department published the latest chapter of its reform programme for the NHS in England “Health Reform in England: update and commissioning framework” setting out the next layer of detailed instructions aimed at primary care trusts.
3. The update identifies three drivers of change within the NHS: patient-driven through choice, voice and competition; commissioner-driven through contracting, contestability and service redesign; and national-driven through standards, targets, agencies and regulatory approaches.
4. The document provides an update about health reform. It then focuses on commissioning NHS services, and in particular how PCTs should commission hospital services. It sets out a framework detailing key changes designed to strengthen commissioning and ensure commissioning drives health reform, improved health and healthcare, and improved financial health for the NHS.
5. The document also defines the goals of effective commissioning and describes how these goals will be achieved. It sets out a number of measures that should be implemented now, and poses a number of questions on which the Department would welcome views.
6. **Questions for consultation**

The Department of Health would welcome views on certain questions within the Framework Document. To assist Members of the Select Committee we list those questions separately under the appropriate sections below:

1) Overall Approach

- Is the overall approach correct?
- Are we seeking to include appropriate controls and incentives in contracts?
- Is the proposed balance between contracts and other mechanisms (eg choice, regulation) appropriate?

2) National Model Contract

- Will a national model contract be useful?
- Is the 3 level approach (standard mandatory requirements; mandatory requirements for local completion; and content for local agreement) appropriate?

3) Content of the Contract

- Have we identified the right content?
- Are there other issues we should address?
- Is the balance of risk between commissioner and provider appropriate?
- How do we ensure the contract is deliverable?
- How should we best promote and enhance quality?
- Would a national quality bonus be an effective approach to promoting quality?

4) Mechanisms

- Do we need a dispute and arbitration scheme? If so how should it work?

- 5) Will the proposals in the annex enhance quality for patients and ensure proper accountability for taxpayers' money while providing freedom for clinicians to innovate?

The Department of Health will work up a model contract for use in the 2007/08 contracting round. Comments on the principles outlined above will be used to develop a new model contract.

Members should be aware that all comments should be received by the Department 6th October 2006.

In response to the Commissioning Framework document the Primary Care Trust (PCT) has set up a project team to facilitate the Departments aim to encourage practice based commissioning. According to the document practice based commissioning will empower GPs to develop new services, flexible to reflect patients' needs; and delivered closer to peoples home's.

Representatives from the PCT will be giving a presentation which will shed more light on what affect the proposals in the Framework will have on health services for Dudley's Citizens.

Finance

7. There are no direct financial implications.

Law

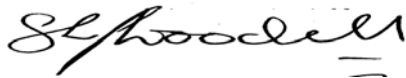
8. The relevant statutory provisions regarding the Council's Constitution are contained in Part 11 of the Local Government Act 2000, together with Regulations, Orders and Statutory Guidance issued by the Secretary of State.

Equality Impact

9. The aims and principles of the reform programme can be seen as contributing to the equality agenda in its pursuit of improving care for all. This implies a challenge to ensure that services meet the needs of all sectors of the community to make this an even greater reality in Dudley.

Recommendations

10. That the Select Committee receives and comments on the questions for consultation in the attached report and annex.
11. That the Select Committee endorse the PCTs plans to implement pilot schemes in selected General Practices and other health centres in response to the proposals laid out in the Commissioning Framework.



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List of Background Papers

Health Reform in England: Update and commissioning framework (attached).
Department of Health (2006)

Health Reform in England: Update and commissioning framework annex (attached).
Department of Health (2006)

The NHS in England: The operating framework for 2006/7 .Department of Health (2006)

Health Reform in England: Update and next steps. Department of Health (2005)