

WORKING EFFECTIVELY WITH PARTNERS

This case study addresses the dilemma – ‘Who is governance for?’ It also directly addresses the challenges of system governance. The case study describes an innovative approach that Herefordshire Primary Care Trust and Herefordshire Local Authority have adopted to develop joint management arrangements. It explores the benefits and challenges of such an approach.

NHS Herefordshire (Primary Care Trust) and Local Authority

Herefordshire is a relatively small county with a population of 180,000. The Primary Care Trust was formed in 2000 and employs 1,400 over 30 sites, including its provider services. Its annual budget is £255m (08/09). Herefordshire Council was formed in 1998 as a unitary authority. It has 3,900 employees at 70 sites and has a budget of £366m. The two organisations agreed to join together to form Herefordshire Public Services. There were three clusters of reasons why this decision was taken:

1. **Local challenges**, due to the rural setting, dispersed population and demographically older population
2. **Government direction**, including "Our Health, Our Care, Our Say" and the Local Government policy direction, as well as the development of Comprehensive Area Assessment.
3. **Common agendas**, with a good track record of joint working, pooled budgets and a commitment to improving health and well-being.

Herefordshire Public Services set a joint vision which was: By working together we can support and improve health, well-being and prosperity, make services more responsive and thereby improve outcomes for the people we serve.

The three shared objectives which underpinned the vision were to: improve the way services are planned, purchased, designed and integrated; provide better, value for money services and to safeguard public services in Herefordshire for the people in Herefordshire.

It has taken three years from the first discussions to now having a fully integrated management structure in place. The Partnership Agreement was signed in September 2007, and the joint management structure was in place about a year after that. However, the road to these new arrangements has not been entirely straight forward. Initial plans assumed that there would be a separate PCT provider organisation quite quickly, but

that proved not to be realistic. The plan also included having one board for health and local authority commissioning, which also has not been possible at this stage. In addition there was a local government election and a change of political leadership in the Council.

The process of coming together has been described as having parallels to a courtship. It was important to establish the joint vision and strategic objectives, and to begin to understand both the commonalities and differences between the two organisations. This included how decisions were taken, and how transparent the decision making and information processes were. There are clearly different cultures between the organisations, and it has been an important part of the process for each organisation to learn about and understand these differences. One of the challenges for the joint management team is to understand and respect the different cultures and ways of working of the Cabinet and the PCT board.

The governance arrangements evolved to include:

- A joint management team structure
- The two statutory organisations remain (PCT board, and Council with its elected members), and so formal decision making still rests at this level
- Steering group established to oversee the joint management team and Herefordshire Public Services It is proposed that this group will develop as a formal sub-committee of both the Council and the PCT. The membership of the steering group is:
 - ♦ From the PCT: Chair, Professional Executive Committee Chair, 3 non-executive directors
 - ♦ From the Council: the Leader and Deputy Leader, 2 other Cabinet post holders (children and adult), Joint CEO and 2 other executive directors
- Plans to develop a shared services agenda internal audit function, with clear links between the two audit committees
- Overview and Scrutiny remains a Council responsibility.

There have already been positive outcomes to the arrangements. These include:

- More older people with mental health problems are able to live safely and with dignity in their own homes
- Joint focus on improving health and wellbeing outcomes. For example there is now a more coherent approach to tackling childhood obesity.
- Progress on different health and local authority staff working across the economy, for example the establishment of an integrated social care team for adult social care. Progress is being made on improving delayed discharges in the acute setting. This was a particular concern for the PCT board.

- The establishment of the joint management team has meant that Herefordshire Public Services has been able to attract a more effective senior leadership team in terms of capacity and capability.
- All organisational development work across the PCT and LA is now joint, which is starting to build shared ownership among the staff about how to work most effectively together.
- A joint back office, or shared service unit, has been agreed between the two organisations, but also with the local hospital. This has been the first such arrangement in the country. There is also potential further collaboration with the Police about sharing HR, finance, commissioning and IT to realise real savings to invest in better front-line services.

The next phase will be to focus on: reducing inequalities through a wide-ranging programme to promote health and well-being; modernising care services to meet customers and patients needs better and giving greater choice and convenience; sharing and improving support services, and investing savings in better front-line services.