



Manchester City Council and Manchester Primary Care Trust

Review of Partnership Working Arrangements

1 June 2010

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## 1 Executive Summary

### Introduction

- 1.1 In our 2009/10 audit plans for Manchester City Council (the Council) and NHS Manchester (the PCT) we identified partnership working arrangements as an area requiring audit work during the year to support our conclusion on the adequacy of arrangements for ensuring value for money in the use of resources.
- 1.2 Effective partnership working is a fundamental building block for the successful delivery of the broader outcomes sought by local strategic partnerships and assessed under the Comprehensive Area Assessment regime. Locally, last year's assessment identified a number of areas of improved health outcomes arising from effective partnership working and also noted that the PCT, the Council and others are now working together to strengthen arrangements in the provision of mental health services.
- 1.3 Strategic plans for working with partners to improve the joint use of assets for the benefit of the community are being developed and a Built Environment Group was established with the intention of developing a shared estate between the Council and the PCT to deliver services. However, whilst engagement is ongoing, there is little evidence of actual outcomes to date. The Council and the PCT are also working together to continue to improve local health services through the 'Securing our Shared Future' programme.

### Scope of the review

- 1.4 This review has examined the relationship between the Council and the PCT and focused specifically on joint working arrangements at an operational level to deliver benefits to the local community through effective partnership working to drive financial efficiencies and benefits in the following areas:
  - improving local health services through the 'Securing our Shared Future' programme
  - development and use of strategic plans to manage the joint estate of the Council and the PCT
  - sharing of good practice and use of joint procurement arrangements.

### Approach to our work

- 1.5 In undertaking this review, we have sought to:
  - assess whether the Council and the PCT are working together effectively to maximise value from combined resources
  - stimulate improvements to partnership working practice between the two organisations
  - provide supporting evidence for the 2010 CAA process, specifically the UoR conclusion
  - identify and recognise good practice as well as make practical recommendations for improvement.
- 1.6 In carrying out the review our approach has been to:
  - consolidate learning from year one of the CAA and UoR processes

- review key documents, including publicly available documents, those already held as a result of our work in other areas and documents requested or provided during the course of the review
- hold interviews with key personnel within the Council and the PCT (see Appendix B for a schedule of officers interviewed).

### Key findings and recommendations

#### Securing Our Shared Future

- 1.7 Securing Our Shared Future (SOSF) is the name given to the PCT's quality, innovation, productivity and prevention (QIPP) programme. It is a joint programme to develop and implement solutions that enable the NHS and social care in Manchester to commission and provide sustainable, high quality care in an increasingly challenging financial climate. It is led by the PCT and run as a partnership with the Council and the other NHS bodies that serve the City of Manchester.
- 1.8 Phase 1 of the SOSF programme is drawing to a close and total savings opportunities of £235 million across the Manchester health and social care economy, which should be viewed as a best case estimate, have been identified to date against a target of £200 million over the next four years. There is evidence of close working between the PCT, the Council and the other NHS organisations in Manchester, at senior management as well as operational levels, which has led to the development of several work streams to deliver the savings targets.
- 1.9 The PCT will continue to manage the SOSF programme out of its Programme Management Office and ongoing support from the Council and other partners will still be required. Discussions are being held to agree how best the Council can continue to assist the PCT with the programme. The work streams that appear to offer the greatest opportunities for further joint working between the PCT and the Council are: Integrated Care, Children's Services, Continuing Health Care and Estates.
- 1.10 We have identified several areas where the Council and the PCT will need to work together closely to take forward the SOSF programme:
- agreeing the level of resources required from both organisations and the areas where the Council can most effectively provide officer input and practical assistance to the PCT
  - developing detailed project plans for work streams which overlap with services provided by the Council, i.e. Integrated Care, Children's Services, Continuing Health Care and Estates
  - working together on community services integration as part of the Transforming Community Services programme
  - strengthening the link between the SOSF programme and integrated commissioning across the Council, the PCT and Practice Based Commissioners.

#### Estates planning and development

- 1.11 The following departments across the Council and the PCT are those primarily involved:
- **Council** - Corporate Property, Chief Executives - Regeneration, and Joint Health Unit
  - **PCT** - MCH Facilities Division and Primary Care Development within the PCT commissioner.
- 1.12 There is evidence of joint working between the Council and the PCT on estates planning and development, mainly on regeneration and equitable access schemes with a health care element. The Council has also helped to source additional funds for PCT capital schemes

and there has been some sharing of information. However, there is scope for much closer joint working and sharing of information in a number of areas and the potential to achieve significant cost savings from the joint estate, as noted below:

- greater involvement of officers from both organisations and discussion of strategic priorities as part of the joint planning process to ensure that potential 'planning gains' are recognised and acted on
- PCT engagement with the Council on potential development opportunities, localities, adjacencies, etc. within the joint estate as part of the Transforming Community Services programme
- disposal of surplus properties, more co-location and shared use of properties, better utilisation of existing properties within the joint estate and greater sharing of information such as the Council's ward mapping data
- the PCT making use of the Council's Gateway process for approving and delivering large capital schemes such as new premises.

1.13 The Capital Development Group is a new initiative in 2009-10, which is viewed as a useful forum for Council and PCT officers to discuss current estates issues and exchange information about what each organisation is doing, but it does not take decisions or act in an advisory capacity. There might be some benefit in reinstating a more formal advisory group on estates strategy within the partnership framework in place of the Built Environment Group, which no longer meets, or reviewing the terms of reference of the Capital Development Group to give it more focus.

#### Collaborative procurement

1.14 The Council and the PCT both make good use of the collaborative procurement arrangements and framework contracts available within local government and the NHS. There has been little collaborative procurement between the Council and the PCT recently, although the two organisations' procurement leads are now meeting on a monthly basis and are actively looking at ways of working together.

1.15 The PCT has worked with the Council to produce market analyses of health care providers across the city and joint work as part of the SOSF programme has identified significant potential cost savings in the procurement of Continuing Health Care services. Further work is under way to develop a joint contracting framework and pricing tariff for Continuing Health Care to be in place by June 2010. The Council is also leading on the development of a joint framework agreement for legal services in Manchester.

1.16 Other areas where the Council and the PCT could work more closely together are in joining up procurement and commissioning at an operational level and in adopting a joint approach to carrying out formal public consultations on proposed changes to services.

#### Next steps

1.17 Our recommendations are included in an action plan in Appendix A. We met with senior officers from the Council and the PCT on 20 May 2010 to discuss this report and agree a joint management response to the action plan.

1.18 This is a joint report to the Council and the PCT, which will be presented to both organisations' Audit Committees at their meetings in June 2010.

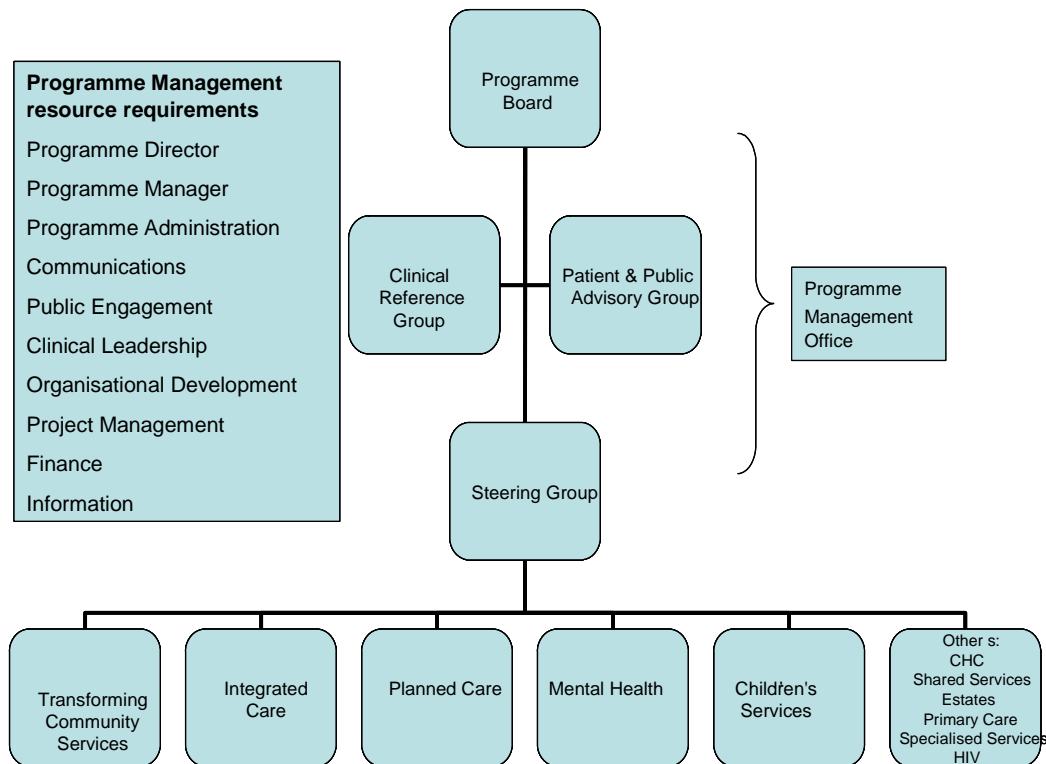
## 2 Securing Our Shared Future

### Introduction

- 2.1 Securing Our Shared Future (SOSF) is the name given to the PCT's quality, innovation, productivity and prevention (QIPP) programme. It is a joint programme to develop and implement solutions that enable the NHS and social care in Manchester to commission and provide sustainable, high quality care in an increasingly challenging financial climate. It is led by the PCT and run as a partnership with the Council and the other NHS bodies that serve the City of Manchester.
- 2.2 The programme's key aims are to:
- continue to deliver better health and social care and reduce health inequalities
  - encourage innovation and new ways of working to ensure delivery of high quality, sustainable services
  - identify and prioritise potential savings and quality initiatives to help focus attention on the key areas
  - achieve savings of £200 million for the NHS in Manchester over the next four years.
- 2.3 Strategic direction is provided by the SOSF Programme Board, which is chaired by the PCT's CEO and includes the Council's Deputy CEO (Performance) as a member, representing the Council's CEO. The Programme Board is supported by a Steering Group and various advisory and thematic work groups, with each group having agreed terms of reference and most groups having membership from the PCT and the Council as well as other partner organisations. Project management is provided by a Programme Director and a Programme Manager, plus support staff, employed by the PCT.
- 2.4 The first phase of SOSF, which involved the development of thematic work streams and the presentation of opportunities papers for each work stream to the Programme Board, is coming to an end. Total initial savings opportunities of £235 million have been identified to date, which are recorded in a financial tracker maintained by the PCT's Programme Manager. The sum of £235 million is a best case estimate of the potential savings that could be achieved across the Manchester health and social care economy, of which £232 million represents recurrent savings. Further work is now required to develop the opportunities into a series of projects to plan in detail and deliver the potential savings and quality improvements identified.
- 2.5 For the second 'benefits realisation' phase and the final implementation phase of SOSF, greater resources will be required from the PCT and its partners. The Programme Board at its April 2010 meeting had to decide whether to:
- a) continue with a centralised programme management system within the PCT ('aggregated model'), or
  - b) disperse the management and control of individual work streams to partner organisations and provide a more light-touch co-ordination function from within the PCT's Programme Management Office ('dispersed model').

- 2.6 It has been agreed to adopt the aggregated model, with the PCT providing most of the programme management resources. However, ongoing support from the Council and other partners, mainly in the form of ongoing membership of the Steering Group and working groups, will still be required.
- 2.7 The proposed programme structure for SOSF going forward is shown in Exhibit 1 below.

**Exhibit 1: SOSF Programme Structure**



**Areas of good practice**

- 2.8 As noted in 2.1, SOSF is the PCT's QIPP programme, which means it is primarily an NHS initiative that is a requirement of the Department of Health for all PCTs. By adopting a partnership approach involving the Council and other health organisations, SOSF has been given a high profile across the city with a strong endorsement from both the PCT and the Council. The involvement of the PCT's CEO and the Council's Deputy CEO (Performance) on the Programme Board, in addition to the CEOs of Trusts and the Chairs of Practice Based Commissioning hubs, helps to emphasise the importance of the SOSF programme.
- 2.9 The Programme Board has formal terms of reference, it meets on a fortnightly basis and meetings are minuted. Its role is to provide leadership and strategic direction, oversee implementation, identify and manage key risks and resolve issues referred to it by the Steering Group. This is the first time that there has been a forum for the CEOs, or senior representatives, of all the health and social care agencies in Manchester to meet together and it has proved invaluable in improving engagement and communication.

- 2.10 In addition, the PCT's CEO is a member of the Council's Senior Management Team and provides regular updates for members at meetings of the Council's Executive Members Group and the Health and Wellbeing Overview and Scrutiny Committee.
- 2.11 Senior officers and managers from the Council, including the Deputy CEO (Performance) and the Treasurer, have been involved in several of the SOSF groups and the Council has also provided Finance and Information support to the programme. The following thematic groups have all had Council membership at senior level: continuing health care, estates, integrated care, planned care and public health.
- 2.12 The Children's Services work stream group is chaired by the Council's Deputy CEO (Performance) and the lead manager for the group is also provided by the Council. This work stream has identified potential savings of up to £8.7m from reductions in paediatric activity levels and greater integration of services.
- 2.13 Integration of Children's Services for the 0 to 5 age group, which proposes using the Council's Ardwick Total Place pilot scheme as a test site, is viewed as having most to offer in terms of delivering improved health outcomes and contributing to the SOSF objective to reduce health inequalities. In addition, greater integration of Children's Services could lead to savings for the Council, e.g. by reducing the level of additional support required within Education Services.
- 2.14 The Continuing Health Care (CHC) work stream has involved close engagement between NHS and Council partners, which has led to the identification of opportunities in two areas: CHC contracting and patient assessment. The total potential saving identified that could be realised by 2013-14 is £7.7m p.a. The contracting and procurement aspects of CHC are covered in more detail in Section 4 of this report.

#### Areas for further development

- 2.15 The SOSF Programme Board has decided to adopt an 'aggregated model' for Phase 2 of the SOSF programme, with the PCT providing most of the programme management resources. However, ongoing support from the Council and other partners will still be required. The PCT is currently reviewing the resource implications of how it prioritises the various work plans and is holding discussions with the Council and other partner organisations about their contributions going forward.
- 2.16 There are several work streams which overlap to some extent with services provided by the Council, e.g. social services, early years and education. They would benefit from further joint work between the PCT, its partner NHS organisations and the Council to develop detailed project plans, in particular:
- **integrated care** - focusing on joined up pathways for long-term conditions, reduced demand upon urgent care services, improved services for those at the end of life and the future integration of community services
  - **children's services** - focusing upon integration of services supporting the stages from maternity to five years and both urgent and elective acute services
  - **continuing health care** - focusing upon contracting for quality and value, reduced assessment time in the acute sector and increased review of care packages.
- 2.17 Over the next 12 months, a significant amount of work is required to take forward the future organisational arrangements of Manchester Community Health in response to the Transforming Community Services programme, which will involve all the SOSF partner organisations working together on service integration. A director-level Transforming

Community Services Delivery Board is being established, which will report directly to the SOSF Programme Board.

- 2.18 One of the work streams within the 'other' opportunities identified as part of the SOSF programme is improved utilisation / rationalisation of estates, but no targeted savings have been identified to date in the financial tracker. A first draft recommendations paper has identified opportunities for significant savings through better utilisation of space across the health and social care economy, although further work needs to be carried out to assess the level of savings achievable. Further commentary on joint estates management initiatives is provided in Section 3 of this report.
- 2.19 The Council and the PCT have recently agreed to establish a work stream on integrated commissioning across the Council, the PCT and Practice Based Commissioners. A project board is to be established, including the Directors of Adult Services and Children's Services from the Council, which will link to the SOSF programme. At sub-regional level, a 'task and finish' group established by the Association of Greater Manchester Authorities and the Association of Greater Manchester PCTs is examining how local authorities and the NHS can collaborate both in commissioning and delivering services.

#### Key messages and recommendations

- 2.20 Phase 1 of the SOSF programme is drawing to a close and total savings opportunities of £235 million across the Manchester health and social care economy, which should be viewed as a best case estimate, have been identified to date against a target of £200 million over the next four years. There is evidence of close working between the PCT, the Council and the other NHS organisations in Manchester, at senior management as well as operational levels, which has led to the development of several work streams to deliver the savings targets.
- 2.21 The PCT will continue to manage the SOSF programme out of its Programme Management Office and ongoing support from the Council and other partners will still be required. Discussions are being held to agree how best the Council can continue to assist the PCT with the programme. The work streams that appear to offer the greatest opportunities for further joint working between the PCT and the Council are: Integrated Care, Children's Services, Continuing Health Care and Estates.

#### Recommendations

**R1** We have identified several areas where the Council and the PCT will need to work together closely to take forward the SOSF programme:

- agreeing the level of resources required from both organisations and the areas where the Council can most effectively provide officer input and practical assistance to the PCT
- developing detailed project plans for work streams which overlap with services provided by the Council, i.e. Integrated Care, Children's Services, Continuing Health Care and Estates
- working together on community services integration as part of the Transforming Community Services programme
- strengthening the link between the SOSF programme and integrated commissioning across the Council, the PCT and Practice Based Commissioners.

### 3 Estates Planning & Development

#### Introduction

- 3.1 The following departments across the Council and the PCT are those primarily involved in estates planning and development:
- **Council** - Corporate Property, Chief Executives - Regeneration, and Joint Health Unit
  - **PCT** - MCH Facilities Division and Primary Care Development within the PCT commissioner.
- 3.2 The Capital Development Group is a joint Council / PCT forum for discussion of estates planning and development issues. The current membership of the group is as follows:
- **Council** - Strategy Manager, Health and Regeneration, Joint Health Unit - convenes meetings
    - Interim Head of Regeneration
    - Deputy Head of Corporate Property
  - **PCT** - Head of Primary Care Development
    - Strategic Development Manager
    - Programme Manager, SOSF
- 3.3 The Built Environment Group, which was an advisory group reporting to the Manchester Partnership, has in effect been replaced by the Capital Development Group during 2009-10, although the latter is a forum for discussion and exchange of information and does not act in an advisory or decision-making capacity.
- 3.4 The main overarching strategic planning documents governing joint Council and health estates planning and development arrangements are:
- Joint Strategic Needs Assessment 2008-13
  - Adults Health and Wellbeing Partnership Delivery Plan
  - MCC Strategic Regeneration Frameworks (10-year plans)
  - MCC Local Area Agreement 2008-09 to 2010-11
  - MCC Corporate Asset Management Plan 2009
  - PCT Commissioning Strategic Plan 2009 to 2014
  - PCT Commissioners' Investment and Asset Management Strategy (CIAMS)
  - PCT Strategic Service Development Plan (SSDP)

#### Areas of good practice

- 3.5 The Capital Development Group is a new initiative in 2009-10, which has met twice to date (see 3.2 above for the details of group members) and plans to meet on a quarterly basis. The officers we interviewed at both the Council and the PCT said that they considered it a

very useful forum for informal discussion of current estates issues and an important opportunity to find out what the other organisation was planning.

- 3.6 There are several examples of where the Council has consulted with and worked jointly with the PCT on regeneration and equitable access schemes that have the potential to include health elements. Two detailed case studies are included in Appendix C and summarised in Exhibit 2 below.

### **Exhibit 2: Estates Development Case Studies**

#### **Case Study 1: Simpson Medical Practice, Moston**

##### **Background**

The project came about as part of the Department of Health Equitable Access to Primary Care initiative, which offered additional GP services to deprived areas with insufficient provision for the population. Moston was one of three areas in Manchester that met the criteria.

##### **Approach**

Based on PCT and Regeneration key criteria, the PCT, North Manchester Regeneration Team and the Joint Health Unit worked jointly to draw up a shortlist of possible options for the location of a GP surgery. The options appraisal included consultation with the local community.

Conversion of part of the Simpson Memorial Hall was selected as the preferred option largely due to its location and the added value both to the local service cluster where it is located and to the building as a community facility. The PCT invested £640K in refurbishing the GP surgery. Further works were carried out by the Council to improve the remainder of the building for the use of the community, including roof works, refurbishment of the community room, disabled access ramp and car park entrance (cost £248K).

##### **Outcomes**

The project has provided much needed additional GP provision in the Moston and Harpurhey areas. The Simpson Medical Practice opened on 1 August 2009 to register patients. So far, there are 850 patients registered and the plan is to build up to 6,000 patients over a five-year period.

Local residents are now benefiting from increased access to services that are more customer focussed with a greater variety of health services provided.

#### **Case Study 2: Manchester Health Academy, Wythenshawe**

**Background**

The former Brookway High School redeveloped as the Manchester Health Academy in West Wythenshawe. The main sponsor is the Central Manchester University Hospitals NHS FT. Discussions held with the PCT around the potential to secure investment in the Brooklands Medical Practice, which is sited nearby.

**Regeneration interest**

The development of the academy offered the opportunity to examine service delivery in West Wythenshawe and to begin to deliver against the priorities of the West Wythenshawe Local Plan. Of particular interest was improving access to services, including health services.

**Response**

The Wythenshawe Regeneration Coordinator organised a series of meetings with partners - the PCT Chief Executive, the local M.P. and the Medical Practice - to share thoughts and seek ideas for discussion with the academy sponsors. Of particular interest were ideas about potential shared developments on the academy site. This resulted in a parallel process dealing with: a) the academy development, b) a health stakeholders group looking at the health-related issue, and c) a library development.

**Outcomes**

Phase 1 of the development includes the new Health Academy and an adjoining community library. The potential to develop a health centre serving a wide population has been established as part of a later phase of development as soon as resources become available to fund it.

- 3.7 The Council's general approach to strategic developments can be summarised as follows:
- Strategic Regeneration Frameworks provide the evidential case for development
  - use of master plans for individual districts within the city
  - engagement and consultation with stakeholders, including the PCT
  - focus on delivering the required regeneration outcomes
  - capital investment strategy drives the gateway process for project approval
  - consideration of key issues such as spacial dynamics, efficient use of assets, linkages with partners, etc.
- 3.8 A recent example of joint working on a development opportunity has arisen from one of the local district master plans. As a result of the regeneration team consulting with the PCT on a proposed shopping centre development (which is still at an early stage of development and is commercially sensitive) discussions have been held with the property developer about rebuilding the local health centre, including a GP practice, with funding being provided by the site owner. The PCT is keen to progress the project, which is a scheme that would not be affordable without outside funding.
- 3.9 There are other examples of the Council acting as a broker on behalf of the PCT and bringing in additional funds for capital schemes. These include GP practices, such as Forum and the Grove, in Ardwick, where PFI funding was used.
- 3.10 The Council is completing a fundamental review of its back office support buildings, many of which are old and unsuitable for modern day requirements. These details are being shared with the PCT's Facilities Department, which is based within the arms-length provider arm, Manchester Community Health (MCH). The PCT's AD Facilities speaks regularly with the Council's Head of Regeneration and the Deputy Head of Corporate Property.

- 3.11 The Council has made savings on its property running costs by taking actions such as co-locating teams, demolition of old properties and conducting business rates reviews on its properties. The PCT is considering or has carried out similar action - it undertakes rating assessments and appeals for PCT-owned premises, to assess whether there has been a change of use resulting in lower rates, and is currently carrying out a review of business rates for GP and dental premises, where the PCT reimburses the cost.
- 3.12 During 2009 the PCT moved its headquarters to new premises at Parkway in Manchester, which has been recognised as a beacon site for 'agile working' (the first within the NHS nationally). This has resulted in a saving of 35% of the space required for the PCT's HQ staff, with similar levels of saving in capital and running costs. Meetings have been held with the Council's Deputy Head of Corporate Property and information has been shared with the Council so that it can evaluate the options for using similar schemes for its properties.
- 3.13 The Council has provided the PCT with access to its specialist estates staff. The PCT, which has a much smaller estates function, has made use of specialists in areas such as GIS mapping, project management and demographic information to supplement its own scarce resources. The Council has also developed links with the three Practice Based Commissioning consortia in Central, North and South Manchester.

#### Areas for further development

- 3.14 As noted in 3.5 above, the Capital Development Group is a new initiative in 2009-10, which meets on a quarterly basis. The meeting due to be held on 31 March 2010 had to be cancelled, with the next meeting scheduled for 26 May 2010, so we have been unable to observe any meetings and the Council/PCT were not able to provide any minutes or notes of meetings, because it is an informal discussion group. Although the Capital Development Group is viewed by officers as a useful forum to exchange information, the Council and PCT should consider whether there would be benefit in reinstating a more formal advisory group on estates strategy within the partnership framework in place of the Built Environment Group, which no longer meets.
- 3.15 Although the Capital Development Group is viewed as a useful joint discussion forum, officers from both the Council and the PCT were of the view that there is a tendency for each organisation to work in isolation and that there was scope for much closer joint working. Some of the main areas identified for greater joint working are:
- PCT officers would benefit from being involved at an earlier stage in the Council's planning process, so that they are alerted to planned developments that are likely to include a health care element, or which could potentially have an impact on the NHS estate, as early as possible. There is currently no PCT representation on the Council's planning groups, which poses a risk that potential 'planning gains' could be lost. However, the PCT could also be more proactive in talking to the Council about its strategic priorities as part of the joint planning process.
  - The Department of Health's Transforming Community Services initiative is currently being integrated into the SOSF programme (see 2.17 above for further details). This involves the integration of community services into services run by NHS FTs and will also have an impact on the GP practice estate. There is a need for PCT engagement with the Council on potential development opportunities, localities, adjacencies, etc. within the joint estate.
  - There are some good examples of joint working, as noted above, but officers from both the Council and the PCT agreed that there was a need for them to work together more closely and on a more regular basis at an operational level. Some of the areas that would benefit from a closer working relationship include: disposal of surplus properties, more co-location and shared use of properties, better utilisation of existing properties

within the joint estate and greater sharing of information such as the Council's ward mapping data.

- There might also be scope for the PCT to make use of the Council's Gateway process for approving and delivering large capital schemes such as new premises.

3.16 The SOSF programme work stream on estates has identified significant savings opportunities mainly through better utilisation of space across the health and social care economy, although further work needs to be carried out to assess the level of savings achievable. The SOSF Programme Board has agreed that opportunities to co-locate staff from health and social services should be the main driver for change, which should lead to service improvements as well as efficiency gains.

#### Key messages and recommendations

3.17 There is evidence of joint working between the Council and the PCT on estates planning and development, mainly on regeneration and equitable access schemes with a health care element. The Council has also helped to source additional funds for PCT capital schemes and there has been some sharing of information. However, there is scope for much closer joint working and sharing of information in a number of areas and the potential to achieve significant cost savings from the joint estate, as noted above.

3.18 The Capital Development Group is a new initiative in 2009-10, which is viewed as a useful forum for Council and PCT officers to discuss current estates issues and exchange information about what each organisation is doing, but it does not take decisions or act in an advisory capacity. There might be some benefit in reinstating a more formal advisory group on estates strategy within the partnership framework in place of the Built Environment Group, which no longer meets, or reviewing the terms of reference of the Capital Development Group to give it more focus.

#### Recommendations

**R2** There is scope for much closer joint working and sharing of information between the Council and the PCT in the following areas:

- greater involvement of officers from both organisations and discussion of strategic priorities as part of the joint planning process to ensure that potential 'planning gains' are recognised and acted on
- PCT engagement with the Council on potential development opportunities, localities, adjacencies, etc. within the joint estate as part of the Transforming Community Services programme
- disposal of surplus properties, more co-location and shared use of properties, better utilisation of existing properties within the joint estate and greater sharing of information such as the Council's ward mapping data
- the PCT making use of the Council's Gateway process for approving and delivering large capital schemes such as new premises.

**R3** The Council and PCT should consider whether there would be benefit in reinstating a more formal advisory group on estates strategy within the partnership framework in place of the Built Environment Group, or reviewing the terms of reference of the Capital Development Group to give it more focus.

## 4 Collaborative Procurement

### Introduction

- 4.1 Historically, there has not been much collaborative procurement between the Council and the PCT. The two organisations developed a joint working programme, issued in draft in October 2009, which included several prioritised work streams including a section on procurement. However, these work streams were scaled down, in part due to financial constraints, and the programme was effectively superseded by the Securing Our Shared Future programme, which is covered in Section 2 of this report.
- 4.2 The procurement leads for the two organisations are:
- **Council** - Head of Procurement
  - **PCT** - Associate Director of Healthcare Procurement (new post created October 2009).
- 4.3 Most of the Council's and the PCT's procurement is done individually or via the use of collaborative procurement arrangements within local government and the NHS:
- The Council uses the OGC Frameworks for much of its general supplies and services procurement, which are also available to the PCT. However, the PCT's non-healthcare spend (£15 million p.a.) is a small percentage of its total expenditure, which doesn't offer significant scope for savings, although both organisations have used the OGC Framework for consultancy services.
  - The PCT uses the framework contracts available via NHS North West Collaborative Commissioning Agency for the vast majority of its non-healthcare procurement. These NHS framework contracts are not currently available to other public sector bodies, such as local authorities.

### Areas of good practice

- 4.4 The Council and the PCT both employ good procurement practice via the use of the collaborative procurement arrangements and framework contracts available within local government and the NHS, as noted above. Non-healthcare procurement does not appear to offer many opportunities for joint working between the two organisations.
- 4.5 The most promising area of healthcare procurement identified to date where there is potential for significant cost savings for the PCT is in Continuing Health Care (CHC), which is one of the work streams of the SOSF programme as noted in 2.14 and 2.16 above. Following joint work with the Council, opportunities for annual cost savings of up to £7.7m were identified including:
- contracting for quality and value (£4.8m)
  - reduced CHC package cost through implementation of mandatory 12-week package reviews (£0.5m).
- 4.6 The latest DH guidance on co-operation and competition places emphasis on greater collaboration by NHS bodies with the rest of the public sector and provides a requirement for procurement to be linked to commissioning. The Council's procurement model encompasses

this approach and it has worked with the PCT to develop service specifications as well as advising on procurement practices.

- 4.7 The PCT has also worked with the Council on carrying out market analyses of health care providers across the city, sharing information on providers used by both organisations. The PCT has produced a 'Health Market Assessment of Community Services' (June 2009) as part of the Transforming Community Services programme and a 'Health Market Analysis of Planned Care Services' (January 2010), which ties in with the SOSF work stream on planned care.

#### Areas for further development

- 4.8 The two procurement leads have acknowledged that there is scope for greater joint working which could be beneficial to both organisations. They are being encouraged to work together by the PCT's Director of Finance and the City Treasurer and they are now meeting on a monthly basis.
- 4.9 One area of non-healthcare expenditure where the Council is taking the lead is in the development of a framework agreement for legal services in Manchester, which the PCT will be able to use. It is aiming to move to using three lead suppliers of legal services with additional sub-contracting arrangements. It is planned that the new legal services framework contract will be in place by October 2010.
- 4.10 In terms of CHC procurement, the PCT has completed a first phase of work to develop a performance management and governance framework, a contractual framework and a schedule of fees, or tariffs, for intermediate and long-term CHC service providers. The implementation stage, due to be completed by June 2010, will involve:
- the establishment of a joint (PCT and Council) full contracting framework incorporating performance, governance and tariff pricing
  - an assurance that the contracting framework and incorporated pricing tariff represents value for money and provides efficiencies
  - the adoption of this framework into the commissioning arrangements held with continuing health care providers
  - the adoption of a procurement strategy based around the contracting framework.
- 4.11 In addition to collaborative or joint procurement, the Council and the PCT need to further develop their approach to collaborative commissioning and joining up procurement and commissioning. The role of the Joint Health Unit and the use of joint posts (e.g. Director of Public Health) in areas such as improving access to health care, as well as the development of a joint HIV Strategy, are good examples of partnership working which could be extended further into operational areas.
- 4.12 Finally, both organisations need to carry out formal public consultation on proposed changes to services, etc. from time to time. This is another area where the Council and the PCT could adopt a joint approach, by pooling resources and sharing their knowledge of local political issues, pressure groups, etc.

#### Key messages and recommendations

- 4.13 The Council and the PCT both make good use of the collaborative procurement arrangements and framework contracts available within local government and the NHS. There has been little collaborative procurement between the Council and the PCT recently,

although the two procurement leads are now meeting on a monthly basis and are actively looking at ways of working together.

- 4.14 The PCT has worked with the Council to produce market analyses of health care providers across the city and joint work as part of the SOSF programme has identified significant potential cost savings in the procurement of Continuing Health Care services. Further work is under way to develop a joint contracting framework and pricing tariff for Continuing Health Care to be in place by June 2010. The Council is also leading on the development of a joint framework agreement for legal services in Manchester.
- 4.15 Other areas where the Council and the PCT could work more closely together are in joining up procurement and commissioning at an operational level and in adopting a joint approach to carrying out formal public consultations on proposed changes to services.

### Recommendations

**R4** The Council and the PCT's procurement functions should consider how they could work together more closely on initiatives such as:

- the development of new contracting framework agreements
- joining up procurement and commissioning at an operational level
- adopting a joint approach to carrying out formal public consultations on proposed changes to services.

A Action Pan

	Recommendations	Priority	Management Response	Responsibility	Timescale
R1	<p>We have identified several areas where the Council and the PCT will need to work together closely to take forward the SOSF programme:</p> <ul style="list-style-type: none"> <li>• agreeing the level of resources required from both organisations and the areas where the Council can most effectively provide officer input and practical assistance to the PCT</li> <li>• developing detailed project plans for work streams which overlap with services provided by the Council, i.e. Integrated Care, Children's Services, Continuing Health Care and Estates</li> <li>• working together on community services integration as part of the Transforming Community Services (TCS) programme</li> <li>• strengthening the link between the SOSF programme and integrated commissioning across the Council, the PCT and Practice Based Commissioners.</li> </ul>	High	<p>All SOSF partner organisations including MCC currently considering how best to support and strengthen centralised programme office function.</p> <p>MCC chief officer and AD links to SOSF workstreams have now been agreed and capacity/resources to support are now being identified by MCC chief officers.</p> <p>Further guidance awaited from NHS North West on next steps for TCS - special scrutiny meeting on 10 June and follow-up on 24 June will consider.</p> <p>Integrated Commissioning Task and Finish Group to be established and report to SMT of MCC and NHSM EMT with proposals on linkages and developments.</p>	<p>David Regan Geoff Little Chris Gorman</p> <p>Geoff Little / Liz Bruce / Pauline Newman</p> <p>Chris Gorman</p> <p>John Harrop</p> <p>Liz Bruce</p>	<p>July 2010</p> <p>July 2010</p> <p>July 2010</p> <p>August 2010</p>

	Recommendations	Priority	Management Response	Responsibility	Timescale
R2	<p>There is scope for much closer joint working and sharing of information between the Council and the PCT in the following areas:</p> <ul style="list-style-type: none"> <li>greater involvement of officers from both organisations and discussion of strategic priorities as part of the joint planning process to ensure that potential 'planning gains' are recognised and acted on</li> <li>PCT engagement with the Council on potential development opportunities, localities, adjacencies, etc. within the joint estate as part of the Transforming Community Services programme</li> <li>disposal of surplus properties, more co-location and shared use of properties, better utilisation of existing properties within the joint estate and greater sharing of information such as the Council's ward mapping data</li> <li>the PCT making use of the Council's Gateway process for approving and delivering large capital schemes such as new premises.</li> </ul>	High	<p>Both NHSM and MCC would welcome more structured engagement, building on the current Capital Development Group and Strategic Regeneration Framework Groups.</p> <p>Property and Estate Leads have agreed to develop a protocol for notifying each other of accommodation needs as they arise across both organisations, including information on surplus property.</p> <p>Gateway process to be considered by NHSM.</p>	<p>Julie Connor Trevor Jones / Sandra George Ged Devereux</p> <p>Trevor Jones Lydia Morrison</p> <p>Trevor Jones Lydia Morrison</p>	<p>September 2010</p> <p>August 2010</p> <p>July 2010</p>
R3	<p>The Council and PCT should consider whether there would be benefit in reinstating a more formal advisory group on estates strategy within the partnership framework in place of the Built Environment Group, or reviewing the terms of reference of the Capital Development Group to give it more focus.</p>	High	<p>Both NHSM and MCC would welcome more structured engagement, building on the current Capital Development Group and Strategic Regeneration Framework Groups - accept need for stronger focus but need to ensure efficient use of time and resources.</p>	<p>Julie Connor Trevor Jones / Sandra George Ged Devereux</p>	<p>September 2010</p>

<p><b>R4</b></p>	<p>The Council and the PCT's procurement functions should consider how they could work together more closely on initiatives such as:</p> <ul style="list-style-type: none"> <li>• the development of new contracting framework agreements</li> <li>• joining up procurement and commissioning at an operational level</li> <li>• adopting a joint approach to carrying out formal public consultations on proposed changes to services.</li> </ul>	<p>High</p>	<p>Procurement leads from NHSM and MCC to build on regular dialogue now established to:</p> <ul style="list-style-type: none"> <li>-improve understanding of market and, where appropriate, how best to shape the market</li> <li>-agree a more strategic way forward for both organisations.</li> </ul>	<p>Ian Brown Peter Hawkins</p>	<p>July 2010</p>
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## B Schedule of Officers Interviewed

### Manchester City Council

**Ian Brown** - Head of Procurement

**Julie Connor** - Interim Head of Regeneration

**Ged Devereux** - Strategy Manager - Health and Regeneration, Joint Health Unit

**Sharon Kemp** - Assistant Chief Executive - Performance

**Geoff Little** - Deputy Chief Executive - Performance

**Lydia Morrison** - Deputy Head of Corporate Property

**David Regan** - Acting Director of Public Health and Director Manchester Joint Health Unit (joint role)

### NHS Manchester

**Ed Dyson** - Programme Manager, SOSF

**Sandra George** - Head of Primary Care Development

**John Harrop** - Director of Manchester Community Health

**Peter Hawkins** - Associate Director of Healthcare Procurement

**Trevor Jones** - Associate Director of Facilities, Manchester Community Health

**Chris O'Gorman** - Programme Director, SOSF

**Karen Thommason** - Strategic Development Manager

## C Estates Development Case Studies

### Case Study 1: Simpson Medical Practice, Moston

#### Background

The project came about as part of the Department of Health Equitable Access to Primary Care, which offered additional GP services to deprived areas with insufficient provision for the population. Moston was one of three areas in Manchester that fitted the criteria. The Council was made aware of the opportunity by Manchester PCT in April 2008 and asked to work in partnership to identify a site where an additional GP surgery could be developed and be operational for April 2009.

#### Approach

The PCT had a number of key criteria that needed to be met in the choice of site for the new provision. These included:

- A site that could be delivered within the required timescale
- A site central to the catchment area,
- Good accessibility for parking and public transport,
- Size – the premises needed to be at least 400m<sup>2</sup>,
- Potential for future expansion,
- Costs (of conversion and lease)

To fit with the objectives of the North Manchester Strategic Regeneration Framework, a further two criteria were added from the MCC perspective

- Contribution to regeneration in particular strengthening of the Moston Lane service cluster.
- Extended use of a community building

With these criteria in mind the PCT, North Manchester Regeneration Team and JHU worked jointly to draw up a shortlist of possible options for the location of the surgery. The options appraisal included consultation with the local community through the Federation of Lightbowne and Moston Associations and local elected members.

Conversion of part of the Simpson Memorial Hall was selected as the preferred option largely due to its location and the added value both to the local service cluster where it is located and to the building as a community facility. The Hall provides space for a range of community group activities and meetings including dance and theatre for adults and young people, bowling green, sports and healthy living activity, interest groups (eg: camera club, St John Ambulance), resident associations and a community book exchange.

The City Council is responsible for maintenance of the building fabric, gardens and bowling green and for major repairs. The Simpson Memorial Community Association runs the building on a voluntary basis with responsibility for the costs of heating, lighting, cleaning and minor repairs. Very few major repairs had been carried out on the building in recent years and there were signs of damage from water penetration in many areas.

The PCT invested approximately £640K in refurbishing the GP surgery. Further works were carried out by the City Council to improve the remainder of the building for the use of the community including roof works, refurbishment of the community room, disabled access ramp and car park entrance (Total cost £248K).

### Outcomes

The project has provided much needed additional GP provision in the Moston and Harpurhey areas. The practice is run by GTD Primary Care, a subsidiary of Go To Doc Ltd, which was selected by NHS Manchester as one of the new providers of GP services in the Manchester, Oldham, Tameside and Glossop areas. GTD Primary Care are a not for profit organisation.

The Simpson Medical Practice opened 1 August 2009 to register patients. So far, there are 850 patients registered and the plan is to build up to 6000 patients over a five- year period.

The practice operates extended opening hours Monday – Friday 8.30 am – 6.30 pm, Saturday 9 am – 1 pm and two weekday evenings will remain open to 8.00 pm. A range of services is being provided including family planning, asthma, diabetes, child development stroke care, sexual health and heart disease; smoking cessation advice, travel care and anti-coagulant service. Local residents are benefiting from increased access to services that are more customer focussed with a greater variety of health services provided.

Other added benefits include an increase in the footfall on Moston Lane, which contributes to sustaining Moston Lane as retail and service hub. The improvements to the building have increased the capacity of the Community Association and also reduced the burden to them in terms of utility costs.

The ambition is to continue improvement to Simpson Memorial Hall to further compliment the works done at Simpson Medical Practice, including grounds maintenance and signage.

## Case Study 2: Manchester Health Academy

### Background

Former Brookway High School redeveloped as the Manchester Health Academy, main sponsor the Central Manchester University Hospitals NHS Foundation Trust. An important location at the heart of West Wythenshawe, close to major transport routes, retail parks, industrial and employment sites, community facilities and residential areas.

The Brooklands Medical Practice is a very short distance away. Feedback from the practice and from patients is that it is difficult to use due to being based in a converted house. Parking and access are poor. Earlier discussions with the PCT around the potential to secure investment in the Brooklands Medical Practice had been unsuccessful due to the huge number of higher priority proposals.

### Regeneration interest

The development of the academy offered the opportunity to examine service delivery in West Wythenshawe, and to begin to deliver against the priorities of the West Wythenshawe Local Plan (WWLP). Of particular interest was access to services – taken to include skills, education, leisure, retail, health, etc. Perceptions of gaps or areas that could benefit from improvement highlighted two areas in particular: access to health services and access to a broadly-based information hub of the type most often provided by a community library. The WWLP education priorities “Invest in schools to improve their quality and role as community hubs” and “Develop intensive and targeted health and wellbeing family approaches to the top 4% most health-deprived SOAs” demanded a concentrated effort to maximise outcomes from the development of the academy.

### Response

Wythenshawe Regeneration Coordinator organised a series of meetings with partners - the PCT Chief Executive, the M.P. and the Medical Practice - to share thoughts and seek ideas for discussion with the academy sponsors. Of particular interest were ideas about potential shared developments on the academy site. One of the opportunities that partners were keen to investigate was the possibility of a phase 2 development on the front part of the academy site which had been found during site investigations to be unsuitable for a school but could be used for most other developments.

The Regeneration Coordinator managed contributions to two parallel processes – the capital programme group dealing with the academy (school) development and a health stakeholders group convened specially to look at the health related issues. The two processes / groups scoped out the feasibility of a new health centre build at the front of the academy site.

A third grouping and discussion thread was put in place by the Regeneration Coordinator and the Head of the Library Service. This thread considered the potential to develop a community library on site. The other stakeholders involved included the academy sponsors, members of the Capital Development Group and the extended schools team. Early in discussions it became clear that the new academy would have its own library but would benefit considerably from access to a much bigger and widely focussed library facility. Given the ready agreement of all partners, this discussion thread was quickly assimilated into the Capital Development Group.

### Outcomes

The Community Library is part of the phase 1 academy development. It is being built adjacent to, and connected to, the academy. Library staff are helping to train and support academy librarians. Pupils will have immediate access to the library as a normal part of their academic day. The library will also be open to the whole community and will be an important hub for information and access to public services for the whole of west Wythenshawe.

The potential to develop a health centre serving a wide population has been established. Financial and other pressures meant that it would have to be part of a later phase of development. Partners have agreed that negotiations and discussions will be put on the back burner at this time, but with an understanding that the principle of the health centre development has been established should resources become available.



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