

# The impact of the Transforming Community Services initiative

**The BMA is committed to an NHS funded from general taxation providing care free at the point of delivery and advancing the social goal of providing healthcare fairly and transparently. The BMA wishes to reverse the current government's policy, and that of the main opposition parties, which actively promotes a market approach in the NHS, with its emphasis on competition and private sector involvement at the expense of co-operation and a public service ethos.**

## What is the Transforming Community Services initiative?

The *Transforming Community Services* (TCS) initiative forms a major part of the Government's strategy for primary and community care, as set out in the NHS Next Stage Review. The initiative was launched in January 2009 and principally instructs PCTs to separate their commissioning and provider functions.

By April 2009, the government expects all PCT direct provider organisations to have moved into a contractual relationship with their PCT commissioning function, using the national contract for community services in 2009/10. This includes ensuring sufficient separation of roles within the PCT to avoid direct conflicts of interests. By October 2009, PCTs are expected to have drawn up detailed business plans for transforming local services. This should have a particular focus on the different options available for organisational forms as follows:

- Arms-length provider organisations – PCTs can establish separate governance arrangements for their commissioning and providing functions and could then continue to deliver services through their own arms-length provider organisations.
- Integration with other NHS organisations – this could involve 'vertical integration' where community services would merge with either the secondary or primary care sectors or 'horizontal integration' where community services merge with other similar services or organisations.
- Community foundation trusts – the provider arms of PCTs would remain part of the public sector but with the autonomy from the NHS similar to that of present NHS foundation trusts.
- Integrated care – this might involve a joint health and social care organisation or services, delivered by new organisations which may involve partnership with the private sector.
- Non-NHS bodies – all relevant service provision or elements thereof would be transferred to a social enterprise or private healthcare organisation.

## What impact will it have on the NHS?

By introducing a wider range of different providers, the TCS programme clearly promotes contestability and competition and the intensification of the market in the NHS. This move will lead to an even greater fragmentation of services than at present and presents a further potential opportunity for the private sector to be involved in delivering NHS services.

The transaction costs arising from PCTs having to separate their provider and commissioning functions will be high as will the subsequent costs of newly-separated commissioners tendering for community services thereafter. The new organisational arrangements will mean that new and additional management and governance structures will be needed, creating another layer of bureaucracy in the system and again, further costs. It is likely, therefore, that these proposals will not deliver value for money for taxpayers.

There are a number of concerns around the potential impact of the TCS agenda on staffing, although less so for doctors. Some of the organisational options will mean that community services are no longer within the NHS family. This not only has implications for staff but will also have implications for staff regarding pay, terms and conditions of services and pensions, but will also contribute to the further dismantling of the concept that NHS services are delivered by NHS organisations – further undermining the social solidarity model of the NHS.

**The BMA urges the Government to restore the NHS to a service based on:**

- **public provision, not private ownership**
- **co-operation, not competition**
- **integration, not fragmentation**
- **public service, not private profits**