

## **Gateway 18344**

22 November 2012

To: SHA Cluster Chief Executives  
PCT Cluster Chief Executives

Cc: SHA Cluster Directors of Finance  
Lyn Simpson, Director of NHS Operations

Dear Colleague,

### **Planning for Contract Transfer –Shift Phase**

Implementation of the Health and Social Care Act requires PCTs and SHAs to transfer their clinical services contracts or agreements to the new contracting authorities.

My letters of 17<sup>th</sup> May 2012 (Gateway 17648) and 10<sup>th</sup> November 2011 (Gateway 16818) set out the first two stages of the three-stage process for transfer of clinical contracts. The work undertaken by PCT clusters and SHA clusters in both Stocktake and Stabilisation phases, which were completed by the end of March 2012 and September 2012 respectively, have set the groundwork for the next, and final 'Shift' phase.

Many PCTs have already commenced work on the Shift phase and the enclosed guidance is aimed at supporting the system in readiness for the formal submission of information for the Transfer Scheme documentation that has to be fully complete by 14<sup>th</sup> March 2013

### **Engagement**

As part of the on-going process around the contracts transition exercise, PCTs will recognise the importance of the role played by engagement in supporting the delivery and continuity of safe, effective and seamless services across the health system during this time of change.

SHAs will want to assure themselves that PCTs remain fully engaged with CCGs, Local Authorities, and NHSCB as the future commissioning organisations and with all providers

### **Shift phase**

During the contracts transition Shift phase (November 2012 – March 2013) current contracting authorities, supported by SHA Clusters, will be required to ensure that the planning for the transfer of agreements does not result in unjustified financial gains or losses for either contracting party.

Communication with providers and the future commissioning authorities is key to the smooth transition and there is active encouragement for engagement to take place.

The key output of the 'Shift' phase is the production, by the current commissioners (the Senders), of information on the transfer of clinical contracts to new commissioning authorities (the Receivers). This information will be used to populate the Transfer Scheme documentation as identified in the DH Guidance

## **DH Guidance**

The Department has recently issued "Handover and Closedown Guidance: *Transfer documentation: identifying legal title in assets and liabilities and completing transfer documentation*" (Gateway 18231) which will assist SHA and PCT Senders to prepare the instructions to DH Legal for the drafting of the Transfer Schemes under the Health and Social Care Act 2012.

## **Roles and responsibilities**

### **PCTs**

PCTs remain the statutory body until dissolution at the end of March 2013.

### **PCT Clusters**

PCT Clusters are the accountable organisations for the contract transition activities. They are expected to develop resource plans, carry out the core transition activities, making use of the tools published with this guidance, monitor progress and sign off the register of contracts at the end of the stocktake phase.

### **SHA Clusters**

SHA Clusters will continue to work with the DH through their nominated lead. The nominated lead will monitor progress and intervene where appropriate. They will have a key role in ensuring that the transition activities are carried out in a consistent way across their area. SHA Clusters will be held to account for delivery by the DH.

## **Department of Health**

The DH will continue to work with colleagues in the NHS Commissioning Board to plan the activities required to enable an effective and efficient transfer of those service contracts that become the responsibility of the Board from 1 April 2013.

## **Conclusion**

Within the DH, the NHS Standard Contracts team will continue to work with SHA Clusters in ensuring that NHS funded clinical contracts are transferred smoothly to new contracting authorities.

The supporting guidance outlines a level of national over-sight and consistency to provide assurance to the system, including Clinical Commissioning Groups, that this aspect of transition is being effectively managed.

Yours sincerely

A handwritten signature in black ink that reads "David Flory." The signature is written in a cursive, slightly slanted style.

**David Flory**  
**Deputy NHS Chief Executive**