

John de Braux  
Chief Executive  
Bedfordshire and Hertfordshire Strategic Health Authority  
Tonman House  
63-77 Victoria Street  
St. Albans  
AL1 3ER

Richmond House  
79 Whitehall  
London  
SW1A 2NS  
Tel: 020 7210 3000  
Direct Line: 020 7210

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Gateway reference: 6550

*Dear John,*

**Commissioning a Patient-Led NHS: Primary Care Trusts**

Thank you for your hard work over the last few months and your report on the outcome of the local consultations.

I know that this has been a testing and difficult time for you and your staff and I wanted to put on record my thanks for the strong leadership you have shown in seeing this through.

The Secretary of State has carefully considered the proposals made by the SHA, along with advice from the External Panel. On balance, the Secretary of State has decided that the future configuration of PCTs within your area should be four PCTs, as set out below:

- Bedfordshire PCT,
- Luton PCT,
- East and North Hertfordshire PCT, and
- West Hertfordshire PCT.

In arriving at this decision, the Secretary of State was minded that the challenges presented locally by the public health and health inequalities agendas would be best met through a separate PCT for Luton, and through two PCTs for Hertfordshire.

The Secretary of State's decision to establish the new PCTs is made on the basis that they and the new SHAs will be subject to the following conditions:

- All PCTs must retain and build on current partnership arrangements, including Local Area Agreements already established in partnership with local authorities. They should also consider the use of joint appointments with local authorities where appropriate.
- A strong locality focus must be retained, and where necessary, locality structures should be put in place. Funding plans to reduce health inequalities and address poverty in socially and economically deprived areas must be maintained and PCTs should ensure patient and public involvement and Practice Based Commissioning arrangements are maintained and improved.

- All PCTs must also deliver their share of the 15% management cost saving, strengthen commissioning and ensure robust management of financial balance and risk.
- Working with local stakeholders, the SHA should consider whether shared management teams would benefit PCTs in meeting these criteria, for both the Hertfordshire PCTs and Bedfordshire and Luton PCTs. The Department would be very supportive of plans for shared management teams, where you believe that to be the best solution.
- Where shared management teams are proposed, the SHA should also consider shared PEC arrangements and how clinical time spent on corporate business could be minimised, allowing them to focus instead on service redesign, bringing benefit to patients in their locality.
- Where recommendations were made in the consultation reports setting out conditions that should be applied to the new configuration, the new PCTs and SHAs should consider those conditions and determine how they should be taken forward and monitored.

I attach maps and tables which show the current and future PCT configuration in each SHA and nationally. Our aim, as you know, is for the new PCTs to be established on 1 October 2006.

#### **Ambulance Trust Configuration**

We have now considered the feedback received on the consultation on ambulance trust configuration. I am pleased to be able to tell you that the Secretary of State has agreed that from 1 July 2006 there will be 12 ambulance trusts in England, with a move to reduce to 11 trusts later. Feedback from most areas did not indicate any significant reasons to change our original proposals. However, in a few areas we have responded to concerns by modifying the detail of the configuration. Full details of the final configuration is set out in the enclosed map and table.

Some concern was raised in the consultation that local responsiveness and flexibility could be lost through having larger trusts. The Secretary of State has therefore decided that ambulance trusts will be required to ensure that their services are meeting the needs of all localities and populations within their boundaries. A direction to this effect will be issued to the new trusts at the time of establishment.

An announcement will be made this week on the designate Chairs and designate Chief Executives of the new ambulance trusts.

You will wish to be aware that Lord Warner has today written to MPs of all English constituencies to set out the future PCT and ambulance trust configurations and enclosing a copy of this letter.

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I have also written to the Government Offices for the Regions to inform them of the new configurations. I would be grateful if you could communicate these decisions to your other local stakeholders, with immediate effect, in particular to those local authorities that have social services responsibilities.

*Yours ever,*

A handwritten signature in black ink, appearing to read 'H Taylor'.

**HUGH TAYLOR  
ACTING PERMANENT SECRETARY**

- cc. Chair, Bedfordshire and Hertfordshire SHA  
Acting Chief Executive Designate, East of England SHA  
Chair Designate, East of England SHA  
Chairs, local PCTs  
Chief Executives, local PCTs  
Local MPs