

Gateway Reference number: 16713

29 September 2011

Richmond House
79 Whitehall
London
SW1A 2NS

To PCT Cluster CE

Dear Colleague,

PCT CLUSTER GOVERNANCE

I am writing to set out the conclusions of the NHS Management Board following our recent discussions on the governance arrangements of PCT Clusters. Many of you have contributed to those discussions and I am grateful for those contributions.

The Management Board was guided by two objectives:

- i) supporting the direction of travel for reform, in particular whilst allowing for effective management of the transition, providing space and support for CCGs and Local Authorities to begin establishing the local relationships that will, subject to legislation, be the bedrock of the new NHS commissioning system;
- ii) having governance arrangements with absolute clarity about responsibility and accountability and which are efficient and effective.

On this basis we have concluded that, of the four governance models that were originally described for PCT clusters, model 2 is the most effective model. Many PCT clusters have already adopted or are adopting this model and we strongly welcome this. Indeed, it is the model which has been adopted by the SHA clusters. A number of other clusters have effective governance arrangements which incorporate the key features of model 2.

SHAs have been asked to ensure the following *key principles* of model 2 are adopted by all PCT clusters, by December 2011 or, exceptionally, by a date agreed with the SHA:

- a single board meeting transacting, as far as is practicable, the board business of all of the constituent PCTs;
- a single executive team with single chief executive;
- a single individual as chair of the cluster, therefore excluding shared or rotating arrangements.

SHAs will be working with you and the Appointments Commission to establish the implications of this for your organisation and any necessary further action.

Yours sincerely

A handwritten signature in black ink, appearing to read "J. Easton". The signature is written in a cursive style with a vertical line to the left of the first letter.

Jim Easton
National director for Improvement and Efficiency