Decentralisation and Performance:
Autonomy and Incentives in Local Health Economies

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SDO Workshop, London Septembe

Research Question and Objectives

- To investigate the inter-relationship between decentralisation, governance mechanisms, incentives and performance in Local Health Economies (LHEs)
  - To evaluate the degree of autonomy available to local (health-care) organizations
  - To examine how the "room for manoeuvre" that NHS organisations have from the centre and locally from other organisations (such as the PCT) influence performance
  - To describe the local interaction of governance mechanisms
  - To assess the (financial and non – financial) incentives associated with different policy initiatives
  - To provide lessons for policy - makers and managers

Research Design

- Longitudinal comparative case study design
  - Contrasting LHE as case studies (in terms of context and performance)
  - Each LHE includes the SHA, the PCT , main providers, Local Authorities and Independent Sector providers
  - Three “tracers”: urgent care, care of the elderly, and orthopaedics
  - Multiple sources of data
    - `Mapping’ LHE performance and organisational characteristics, using local performance and activity data, and published reports
    - Interviews in constituent organisations (senior managers and clinical staff)
    - Observation of local planning meetings and Board meetings

Progress

- Ethics and Research Governance approvals obtained
- Case studies recruited
- Phase I fieldwork (including interviews and observation) under way
- Phase I analysis in progress

Theme 1: Culture (Russel Mannion, xxxx)

		Integration between Subgroups	
		Yes	No
Domination by Subgroups	Yes	**Domination**	**Breakdown**
	No	**Synergy**	**Segregation**

Theme 1: Culture (con't)

- Major LHE-wide re-organisation exercise
- Presented by PCT as a case of **integration** and **synergy** (clinical involvement as key to deliver chance)
- Viewed by other stakeholders as a case of **domination**
- Potentially ending in a **breakdown** of cultures

Theme 2: Performance

- Formal:
  - `Hard'
  - Official metrics
- Informal:
  - `Soft'
  - Perceptions such as reputations, confidence
- Dramatic:
  - Ritual displays; combination of hard and soft performance

Theme 2: Performance (con't)

Formal performance?

Director of Commissioning, Southern PCT:

Data from [Cross-border Trust] have not been included in PCT performance report. Trust is based in the county although classified as a London Trust. It is difficult to get data this Trust in a form that PCT can use.

The main performance issue for the PCT is [Cross-county Trust] A&E performance. They have extended the walk-in opening hours. Trust is putting greater and more senior resources into issue. The PCT chief executive and director of commissioning are get daily text message updates.

Field notes from Southern PCT board meeting, 26.6.07

Theme 2: Performance (con't)

Informal performance?

"It's a bit like when you go back to the pride that people felt in the old three star system...

I think there's some good reasons [for applying for Foundation Trust status] some of which are, you know, in the softer areas... Something around not being subject to – being more independent in terms of your contracts have to be honoured which I think makes the finance position of a Foundation Trust more secure than a non-Foundation Trust"

Director of Finance, Royal CountyTrust, southern LHE (24.7.07)

Theme 2: Performance (con't)

Formal and informal performance?

"Four years ago, our A&E was not performing well and we were not performing well on the waiting lists and having to pay for private providers to support waiting list improvements. Now what's happened is, you know, real analysis, really getting, I think, the hearts and minds of medical staff in A&E such that we are now – have become one of the top performing areas in the country."

Director of Finance, Royal County Trust, southern LHE (24.7.07)