

**EXPLANATORY MEMORANDUM TO
THE STRATEGIC HEALTH AUTHORITIES (ESTABLISHMENT AND ABOLITION)
(ENGLAND) ORDER 2006**

2006 No. 1408

1. This explanatory memorandum has been prepared by the Department of Health and is laid before Parliament by Command of Her Majesty.

2. **Description**
 - 2.1 The Strategic Health Authorities (Establishment and Abolition)(England) Order will dissolve all of the 28 Strategic Health Authorities (SHAs) which are currently in existence for areas of England and replace them with 10 new SHAs covering larger areas. It transfers the staff, property, rights and liabilities of the dissolving SHAs to their successor SHAs.

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

None.

4. **Legislative Background**
 - 4.1 Section 8 of the National Health Service Act 1977 requires the Secretary of State to establish SHAs for areas of England and empowers her to abolish existing SHAs. Before establishing or abolishing a SHA, the prescribed consultation requirements must be complied with. These are contained in the Strategic Health Authorities (Consultation on Changes) Regulations 2002/1617. This Order will revoke the Health Authorities (Establishment and Abolition)(England) Order 2002/533, and its amending order (SI 2004/37).

5. **Extent**
 - 5.1 This instrument applies to England. Areas for which SHAs are responsible are described in the schedule by reference to the largest areas which are separately defined in local government legislation. With the exception of London and the Isles of Scilly, all of the areas are legally defined as counties. This approach follows statutory precedent in the European Parliamentary Elections Act 2002, which defines the European Parliamentary constituencies.

6. **European Convention on Human Rights**
 - 6.1 As the instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 *Commissioning a Patient-led NHS*, issued on 28 July 2005, sets out proposals for reconfiguring the geographical areas covered by SHAs and Primary Care Trusts (PCTs). The document indicated that SHAs should be aligned with the boundaries of the Government Offices for the English Regions, though SHAs could make a case if this model was not appropriate to their area. It built on the *NHS Improvement Plan* and *Creating a Patient-Led NHS*, to create an improvement in the way services are commissioned by NHS staff, to reflect patient choices. The policy was developed in order to deliver effective commissioning in the overall context of improving the health of the whole population. The purpose of these changes is to see improvements in health and in services. This process is about ensuring organisations are properly configured and fully prepared for their new role.

7.2 SHAs submitted their proposals for future reconfiguration of SHAs in their local areas to the Department of Health on October 15, 2005. These were then considered by an independent external panel and Ministers. Formal local consultations on the proposals began on 14 December, 2005 and continued for 14 weeks until 22 March 2006. The Department issued guidance to SHA Chief Executives on how to conduct the local consultations. This included reminding SHAs who should be consulted under the provisions of the Strategic Health Authorities (Consultation on Changes) Regulations 2003. In addition to these requirements, the guidance encouraged SHAs to consult with staff, MPs, trade unions and relevant local councils. The Department encouraged SHAs to ensure that all options were presented fairly and given equal weight in documentation. SHAs were also encouraged to make contact with all local stakeholders. A significant majority of stakeholders who responded to the local consultations were in favour of the proposals for the agreed SHA configuration.

7.3 SHAs submitted their recommendations to the Department in April. Public interest in the policy was low.

7.4 Ministers have now decided on the new configuration for SHAs, which is attached at Annex A. The new bodies will come into being on 1 July 2006.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies. The impact on the public sector is to change the way that SHAs are configured. Taken together the reconfiguration of SHAs and PCTs will save around £250 million a year by reducing management costs. These savings will be reinvested in front line services by 2008.

8.2 The Department does not consider the changes to have an impact on rural communities as the changes relate to administrative boundaries, rather than changes to delivery of services.

9. Contact

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