

MEETING:	HEALTH SCRUTINY COMMITTEE
DATE:	22 NOVEMBER 2010
TITLE OF REPORT:	MENTAL HEALTH & LEARNING DISABILITY SERVICES – PROCUREMENT OF A PREFERRED PARTNER
PORTFOLIO AREA:	Health & Adult Social Care

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To update the Health Scrutiny Committee on the progress of the Mental Health Procurement Project (known as MHPP).

Recommendations

THAT the Health Scrutiny Committee:

- (a) notes the progress and next steps to procure a preferred partner to provide Mental Health (health & social care) services & Learning Disability (health care) services; and**
- (b) notes that any proposals to vary the range and location of services upon which formal consultation is required will be brought to the Committee as appropriate should that be necessary after the new provider is appointed.**

Key Points Summary

- The aim of the Mental Health Procurement Project is to select a preferred partner for Mental Health (health & social care) services & Learning Disability (health care) services to deliver and modernise services for the people of Herefordshire;
- The process by which this will be achieved is via a competitive procurement process which commenced with NHS Herefordshire Board approval to proceed in July 2009;
- An formal invitation to tender was launched in the first week of November 2010 with a view to making a formal NHS Herefordshire Board decision on the preferred provider at the Board's meeting on 15th December 2010;

Further information on the subject of this report is available from
Ann Donkin Project Director (MHPP) on (01432) 383419

- Section 75 (provision) arrangements will need revision and refresh for Mental Health (social care) & Learning Disability (social care) services as part of this process.
- Award of contract is scheduled for early 2011 with transfer of services to be completed by the 1 April 2011.

Introduction

1. The purpose of this paper is to update the Health Scrutiny Committee on the progress of the MHPP.
2. The aim of the MHPP is to select a preferred partner for Mental Health (health & social care) services & Learning Disability (health care) services to deliver and modernise services for the people of Herefordshire. The procurement is one element of the process that NHS Herefordshire is undergoing to divest its Provider Services organisation as part of the *Transforming Community Services* policy. The other key element of the process relates to the creation of an Integrated Care Organisation to provide hospital, community and adult social care services in a joined-up way across care pathways. The Health Scrutiny Committee is being kept briefed separately on the redesign of integrated services and the creation of the new organisation, subject to approval by the *Cooperation & Competition Panel (CCP)*.
3. The MHPP commenced with NHS Herefordshire Board approval to proceed in July 2009. This process is complex and is governed by EU procurement rules. The view at the time was that these Part B services should be procured under the stringent rules for Part A services as defined under The Public Contracts Regulations 2006 (Statutory Instrument 2006 No.5 as amended). In following this process the procurement organisation must follow a tightly defined set of rules about conduct of the process.

Progress with Procurement Process

4. A formal invitation to tender was launched to the two potential bidders, both of whom are Foundation Trusts, remaining in the process in the first week of November 2010, for return by 19th November 2010. These bids will then be evaluated against a range of pre-set evaluation criteria with a view to making a formal NHS Herefordshire Board decision on the preferred provider at the Board's meeting on 15th December 2010. Award of contract is scheduled for early 2011 with transfer of services to be completed by the 1 April 2011.
5. Section 75 (provision) arrangements will need revision and refresh for Mental Health (social care) & Learning Disability (social care) services as part of this process.

Mobilisation Process

6. There is a further significant phase that must be undertaken to enable the new provider, once nominated, to begin to operate as a service provider on 1st April 2011. The plan for mobilisation includes:
 - A *Cooperation & Competition Panel (CCP)* process that the provider must go through to test the proposal in terms of its impact on choice & contestability;
 - A *MONITOR* process to test the Foundation Trust's due diligence and risk of the proposed acquisition;

- A formal statutory process to vary the terms of the Foundation Trust's Establishment Order to provide wider geographical range and location of services; and
 - A Care Quality Commission variation to registration process as necessary.
7. There is also a need to develop a detailed change management plan with the new provider when nominated and to agree the detail of how corporate resources and overheads will be split. The latter also interfaces with the work being undertaken to divest certain corporate services into a new Shared Services organisation for Herefordshire partners as well as the creation of the Integrated Care Organisation.
 8. These detailed plans are being developed now and will be shared with the appropriate implementation team/s and Boards, and subject to formal scrutiny as necessary.

Next Steps

9. The Health Scrutiny Committee is asked to note the progress and next steps to procure a preferred partner to provide Mental Health (health & social care) services & Learning Disability (health care) services.

Background Papers

- None identified