

Select Committee on Health & Adult Social Care - 22nd March 2007.

Report of the Director of Adult, Community & Housing

Future Configuration of Mental Health Services in Dudley and Walsall

Purpose of Report

1. To update Select Committee on Health & Adult Social Care on recent discussions on the future of Mental Health Services in Dudley and Walsall.

Background

2. Select Committee received reports on 29th March and 12th July 2006 on Mental Health services In the Black Country.
3. These services are currently provided by integrated Council and PCT Services in the Borough areas of Dudley, Walsall and Wolverhampton and by the Sandwell Mental Health NHS and Social Care Trust for people resident in Sandwell.
4. In January 2005, senior officers from the Black Country PCTs, local authorities and the Sandwell Mental Health Care Trust formed a Project Board to review the current configuration of mental health services. A pre-consultation document was published in April 2006 and a seminar for Cabinet members and Scrutiny Chairs took place in June 2006.
5. The creation of a single mental health Trust providing specialised mental health was recommended by the Project Board, but both Wolverhampton and later Sandwell opted not to join. The boroughs of Dudley and Walsall then agreed to further explore the preferred option of a single mental health partnership trust.
6. The proposal is to bring together these services into a single Dudley-Walsall NHS Partnership Trust by April 2008. This proposal is supported as the preferred option by senior officers in the Local Authorities and PCTs in Walsall and Dudley for the following reasons:
7. A need to make sure that the future arrangements for Mental Health have been planned locally and have not come about by default as a result of the changes in PCTs. As a consequence of 'Commissioning a Patient-led NHS', the provider functions of PCTs, such as mental health, will have to move to different organisations.
8. A strong belief on the part of mental health managers in Dudley and Walsall

that better services can be delivered for service users from a joint service than two separate services. Both PCTs have established arms length mental health Provider Boards and there is already cross membership.

9. It is highly unlikely that the individual services would be financially viable as stand alone services in the longer-term and the alternative of being acquired by a neighbouring organisation is not an option supported by the local health and social care community.
10. A larger partnership trust is more likely than separate borough organisations to be able to take forward significant improvements in mental health services.
11. A specialist trust, with a locality focus, would be large enough to be viable and local enough to offer users services close to home, appropriate to their needs. The new Trust would have direct relationships with other key organisations in the fields of employment, education & training, housing, voluntary and community services.
12. A single partnership trust would bring together the 'critical mass' of expert clinicians needed to develop specialist services to help people with complex needs locally and reduce the need to buy expensive services from other areas.
13. Economies of scale – bringing together Walsall and Dudley corporate systems and processes will generate opportunities to increase cost effectiveness and Value For Money. Such areas will potentially include financial management, recruitment, payroll, pharmacy, facilities management, procurement, audit and learning and development.
14. Many NHS Mental health Trusts will become Foundation Trusts (FTs) by 2008 (the first mental health FTs are already in place). A mental health service comprising Dudley and Walsall would be able to apply and benefit from the freedoms of Foundation Trust status from 2009. As a FT the Dudley-Walsall service would enjoy enhanced autonomy, revised governance arrangements, new ways of using assets and generating funds and freedoms to offer staff incentives. The wider involvement of users, their carers and the general public in the governance of mental health services in the two boroughs would be further encouraged.
15. The partnership trust would provide all current mainstream health and social care services for mental health in Dudley and Walsall - primary care, community mental health, social work, day care, therapies and care in hospital. This would include:
 - Local services based on existing community, hospital teams and administrative centres.
 - A strong corporate team at the centre, responsible for finance, human resources, estates, information technology etc. These services are currently provided separately within Dudley and Walsall PCTs, supported by the respective Councils.
16. There are no current plans for significant change to the service models or service delivery in each locality. However, it is anticipated that a joint service

will provide scope for service development and redesign. If such opportunities for service improvement involve significant change to service models or delivery then consultation would take place, as appropriate, on the specific changes.

17. Similarly, should the new Partnership Trust eventually lead to transition to Foundation Trust status, this would require public consultation.
18. The revenue budget of the new organisation would be in excess of £60m.

Estimated current mental health spend at 2005/06 pay and prices

| | Dudley PCTs | Dudley MBC | Walsall PCT | Walsall MBC | TOTAL |
|---|------------------------|-----------------------|------------------------|------------------------|--------------|
| TOTAL excl. Support Services | 18.6 | 5.6 | 25.2 | 8.7 | 57.9 |

19. The proposed Partnership Trust would also maintain the current arrangements for specialist services for people with Learning Disabilities (psychiatric and psychological services), Child and Adolescent Mental Health services, substance misuse, psychology and specialist mental health services for older people. Any future changes in service models as a result of the new structure will be subject to further consultation.
20. Partnership Agreements under Section 31 of the Health Act 1999 would be drafted to cover the two Boroughs subject to Health and Local Authority approval. Similar agreements already exist separately in Dudley and Walsall.
21. The proposed trust would report to the elected Members of the two Councils on progress and performance of Mental Health services.
22. A Project Board was established in January 2007. A full time Project Director was appointed in late February 2007. The membership of the Project Board includes the Directors of Mental Health, Medical Directors and Assistant Directors of Adult Services from Dudley and Walsall
23. A joint letter of intent from the PCT Chief Executives and Directors of Adult Services in Walsall and Dudley was issued to staff in February 2007. A joint consultation and communication strategy is agreed between Dudley and Walsall with each borough being responsible for leading, informing and developing communication on the proposals at a local level.
24. The responsibility for consulting on boundary and structural changes of local NHS services rests with the Strategic Health Authority on behalf of the Secretary of State for Health. Social Care in Mental Health services is the responsibility of the Metropolitan Borough Councils in the boroughs concerned.
25. Options for the future of mental health services will be subject to a public consultation under section 11 of the Health and Social Care Act 2001. The proposed consultation process is expected to take place for 13 weeks in

spring/summer 2007. The Consultation will draw upon the outcome of the pre- consultation exercise undertaken as part of the Black Country Mental Health Review in 2006

26. The Overview and Scrutiny Committees in each Council will be consulted as part of the formal consultation process. Approval of the Cabinet in each Council will be required for Social Care services to become part of the new Partnership Trust, including arrangements for the secondment or transfer of staff.
27. Some of the issues which elected Members may wish to consider during the Consultation process are:
 - The position of social care within a new Trust and the Council's statutory duties
 - Arrangements for the transfer of staff i.e. whether staff should continue to be seconded to the PCT or whether a full TUPE transfer to the NHS may now be appropriate.
 - Governance – specifically, accountability of the new organisation to the Director of adult Services, to CSCI and to elected Members for delivery of social care services.
 - Funding arrangements.
 - Links between the new Trust and other Council Directorates, the Local Strategic Partnership and the voluntary sector.
28. Depending on the outcome of public consultation and the Secretary of State's subsequent decision, steps would then need to be taken to establish a Shadow Partnership Trust Board in advance of a new Trust being formed.
29. No decision can be made at this stage about the funding which would transfer to the new Trust from DMBC. It is reasonable to assume, however, that this would be re-balanced over commissioning and provision to equate to the Council's current net investment in Mental Health.

Finance

30. There are unlikely to be significant cost implications for DMBC from the development of the new Trust. However, we will have to ensure that DMBC investment in Mental Health Services is protected, and that resources are not diverted away from mental health to deal with other pressures in the NHS.

Law

31. The new arrangements for Mental Health services would be confirmed in legal partnership agreements for lead commissioning, integrated provision and a pooled budget, using S31 of the Health Act 1999.

Equality Impact

32. Equal Opportunities implications include terms and conditions of transfer of both PCT and Directorate staff to the new Trust and equality of opportunity to apply for new posts.

Recommendation

33. It is recommended that:-
- Select Committee agrees to note the work, which has been undertaken on the Dudley-Walsall Mental Health project since December.
 - Select Committee may wish to comment on the arrangements for the consultation process.
 - Select Committee agrees to receive a further report, as part of the consultation process, in July 2007.

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A handwritten signature in black ink that reads "Linda Sanders". The signature is written in a cursive style with a large, looping initial "L".

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Linda Sanders
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List of Background Papers