

**GOOD HEALTH SELECT COMMITTEE – 29<sup>th</sup> MARCH 2006.**

**REPORT OF THE DIRECTOR OF ADULT, HOUSING AND COMMUNITY SERVICES**

**FUTURE CONFIGURATION OF MENTAL HEALTH SERVICES IN THE BLACK COUNTRY**

**PURPOSE OF REPORT**

1. To brief Good Health Select Committee on recent discussions with the local NHS on the future of Mental Health Services in the Black Country.
2. NHS Boards and elected Members in the three other Councils will receive a similar briefing in March-April 2006.

**BACKGROUND**

3. NHS specialist Mental Health services In the Black Country are currently provided by PCTs 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 Dudley, an integrated Mental Health Service based in Dudley Beacon and Castle PCT was established in April 2005. 80 DMBC staff, who work in Mental Health, are seconded to the integrated Service. Similar arrangements exist in the other three Boroughs.
5. The NHS is again re-organising to reduce the number of PCTs and Strategic Health Authorities. In Dudley, this process is likely to lead to a merger of the two existing PCTs. In future PCTs will be mainly commissioners rather than providers of services. The provider functions of PCTs, such as Mental Health and Learning Disability will move to different organisations. At the same time, nationally, alternative structures for mental health services in England are emerging, and there are already examples in the North of England of pan Borough Mental Health Trusts spanning four or even five Council areas.
6. Senior officers from the Black Country PCTs, local authorities and the Sandwell Mental Health Care Trust, have therefore identified a need to review the current configuration of mental health services.
7. Senior officers in the local authorities and the NHS from the Borough areas of Dudley, Sandwell and Walsall have agreed to explore, as the preferred option, a single mental health Trust providing specialised mental health services to all three borough areas. It is recommended that this Trust is established from April 2007.

8. Wolverhampton may not wish to join the proposed new Trust, preferring instead a local Care Trust for all Adult Services. It is possible, however, that the Care Trust in Wolverhampton will not proceed and that eventually Wolverhampton will decide to join a Black Country Mental Health Trust. A date will be agreed by when Wolverhampton will make their intentions known.
9. The configuration of mental health services across the Black Country should:
  - Support the 'recovery model' of mental health service provision
  - Support delivery of mental health services in primary care
  - Support the development of clinical leadership
  - Lead to enhanced governance of care and clinical practice
  - Permit the maintenance, and further development, of local partnerships at borough level
  - Reflect implications of changes in the West Midlands NHS and in Local Authorities and be capable of adjustment to further change over time
10. Two further important issues for Dudley will be:
  - Arrangements for the transfer of DMBC staff under TUPE to the new Trust
  - Arrangements for corporate governance of the new Trust so that there is some accountability to elected Members.
11. A Project Board has been established comprising senior officers from the Councils, PCTs and Care Trust.
  - To agree a process to develop the concept of a single mental health partnership Trust as an option for the provision of mental health services across the Black Country.
  - To define and describe the service components, organisational structures and financial parameters of a prospective single Mental Health Trust.
  - To make recommendations, and gain consensus through consultation, for the future configuration of mental health services in the Black Country.

12. Members of the Project Board are currently engaged in a “scoping” exercise to develop more specific proposals for the range of services to be provided by a single Trust and to better understand the total resources (financial, human resources, estates) that such a Trust might expect to inherit from the parent organisations from April 2007.
13. A number of streams of work will be undertaken which include: finance and audit, human resources, estates, facilities and Information Management & Technology, corporate governance, service delivery /operational management. There will be a specific strand of work to ensure that users and carers are appropriately engaged. Also, the human resources work stream will have early discussions with staff side representatives about the most appropriate process and timing for their involvement.
14. In addition, in each Borough a small project team has been established to ensure that communication and consultation takes place in the most appropriate way in each area.
15. The statutory responsibility for agreeing any significant change to the configuration of local NHS services rests with the Birmingham & Black Country Strategic Health Authority on behalf of the Secretary of State for Health. The Social Services dimension of Mental Health services is the responsibility of the Metropolitan Borough Councils in the Boroughs concerned.
16. Options for future configuration of mental health services will be subject to formal public consultation. Secretary of State approval is necessary for the establishment of a new NHS Trust. a public consultation exercise will take place from July - October 2006. Depending on the outcome of public consultation and the Secretary of State’s decision, steps would then need to be taken to establish a Shadow Trust Board in advance of a new Trust being formed.

## **Summary**

17. Some of the potential strengths of a single Mental Health Trust option are listed below:
  - It would serve a population of nearly one million people with an annual budget of well over £100 million. The scale of its financial resources and the available concentration of clinical and management expertise would enable the Trust to build a critical mass of specialist services, whilst retaining the opportunity to build on local partnership work in each of the Boroughs – there will be no requirement for local arrangements for service delivery in the Boroughs to be identical
  - Enhanced management and leadership potential from within a larger organisation

- Ability to respond to the requirements of practice based commissioning. As a provider-only organisation, it would leave PCTs, GPs and Local Authorities free to pursue best value through contestability of mental health services by comparison of cost, quality and volume between the Partnership Trust and other providers in the West Midlands and beyond
  - Enhanced capacity and capability for service development
  - Improved community services, social inclusion, primary care access offering a better choice of services closer to home.
  - More effective management of high cost/ low volume services
  - Achievement of economies of scale and the potential for reduced management costs
  - Potential to offer overall better value for money to commissioners
  - Improved capability to respond to the anticipated, eventual market in mental health services
  - Enhanced potential for recruitment and retention of clinicians in a scarcity specialism
  - Potential as a larger organisation, to have greater influence over policy initiatives and resource allocation within the wider health economy
18. The new Trust would also make transition to Foundation Trust status a possibility, which in itself could bring additional benefits, e.g. the wider involvement of users, their carers and the general public in the development of mental health services in the Black Country.
19. Understandably, there may be concern that a single Trust across three Boroughs might detract from the local partnership work that has developed around Mental Health services. The extent of current integration between health and social care at local level varies in each Borough but the overall push towards greater integration is similar.
20. All three Boroughs have agreed to proceed with the current exercise on the understanding that if a single Mental Health Trust was chosen as the way forward, delivery of services at local level in each Borough would not be affected.
21. The new Trust will not impede continued progress towards closer integration between health and social care for other Adult Services. In keeping with the recent White Paper “Our Health, Our Care, Our Say”, any future re-configuration would retain the existing local partnership arrangements in each of the Boroughs.

## Finance

22. 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.

## Legal Implications

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

## Equal Opportunities Implications

24. 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.

## Recommendations

25. Good Health Select Committee agree to support in principle work to develop the concept of a single Mental Health Trust as an option for the provision of Mental Health services across the Black Country.
26. A further report will be made to Good Health Select Committee in July 2006.



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