Dudley NHS Primary Care Trust

Walsall NHS Teaching Primary Care Trust

WALSALL / DUDLEY MENTAL HEALTH PARTNERSHIP

BUSINESS CASE

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1. INTRODUCTION

The aim of this paper is to outline the proposals to disaggregate Mental Health services from Walsall tPCT and Dudley PCT and establish a new NHS provider organisation which would serve both boroughs. Existing integration arrangements with the respective Local Authorities would be either maintained or enhanced. The new organisation would incorporate Mental Health Services for Adults, Children and Older People.

This direction of travel for Mental Health services in Walsall and Dudley is supported by both PCT Boards, Local Authorities and other key stakeholders and for both PCTs, is part of their overall strategy to strengthen their commissioning focus.

The document is written in order to comply with the new guidance on planning NHS re-organisations ('*Service Improvement: Quality Assurance of Major Changes to Service Provision'*, DH Feb 2007). Therefore, the report is an outline of current proposals and planning assumptions. It is likely that precise details may necessarily be amended in time as part of the planning and development process.

2. WHY ARE WE PROPOSING TO CHANGE?

2.1 Rationale and Drivers for Change

The rationale and drivers for change are congruent with the following principles:

i. **Mental Health services are too important to evolve by default rather than develop by design.**
ii. **The next phase of mental health service reform is complex and requires single-focus leadership.**
iii. **PCTs more than ever are required to focus on expert commissioning of services to meet assessed health needs rather than provide services directly.**
iv. **The scale of any Mental Health organisation needs to be sufficiently large to deliver Choice and Value for Money (VFM), be innovative and have the authority to engage directly with other major stakeholders.**
v. **Although Mental Health Trusts can successfully provide services across boroughs, they need to remain local enough to engage with community-based stakeholders.**

vi. **Local Mental Health leaders need to have a firm belief in the benefits of a joint service in order to carry through the reconfiguration process successfully.**

vii. **Proposals for reconfiguration should be congruent with the policy and trajectory of NHS provider Trusts.**

i. Mental Health services are too important to evolve by default rather than develop by design.

1. There is a need to make sure that future arrangements for Mental Health have been planned locally and have not come about by default as a result of organisational and functional changes in PCTs.

2. When PCTs were first created in 2002, Walsall and Dudley were among a very small group of PCTs in England to retain a Mental Health provider function. The decision to provide small-scale Mental Health services from within organisations which had wide-ranging responsibilities across the health and social care spectrum was incongruent with the national trend toward larger, specialist Mental Health Trusts. This trend has accelerated since 2002. Over the past four years, Mental Health services managed by the PCTs have developed and achieved good overall standards of care. However, the situation now differs from the one that prevailed in 2002 in a number of important aspects which are addressed below.

ii. The next phase of mental health service reform is complex and requires single-focus leadership.

3. There has been a growing realisation within local services that the singular focus and leadership required to move forward into a new phase of Mental Health service development can best be achieved within a specialist Mental Health Partnership Trust.

4. Since the publication of the National Service Framework (NSF) for Mental Health in 1999, there has been a transformation nationally in the way in which specialist clinical care has been delivered, with a re-shaping of front-line services. The Dudley and Walsall PCTs and Local Authorities have fully played their part on this period of development. However, the changes will not end there, as the National Director for Mental Health spells out in his recent report 'Clinical Case for Change – Breaking Down Barriers' (see Appendix 1).

5. Public expectation, technological advances and an aging population are driving changes in Mental Health care, as they are in every other medical specialty. However, additional factors such as the stress of 21st century urban life, increasing numbers of people living further from home, the continuing pervasiveness of drug and alcohol misuse, increasing prevalence of dementia and its profound impact upon families and services, all add to the complexity

and urgency of modern Mental Health service provision. The next phase of transformation will be to extend reform to focus upon the 'mental health of the community' and to break down the barriers that stand in the way of change. This is not just continuing changing the way that we do things, but also what we do.

6. A new organisation led by a Board whose sole focus in Mental Health will be best placed to lead the next phase of transformation in services.

iii. PCTs more than ever are required to focus on expert commissioning of services to meet assessed health needs, rather than provide services directly.

7. At a time when the management of Mental Health services faces a new and challenging phase of development, the focus of PCTs is becoming more exclusively one of expert commissioning of evidence-based services.

8. Following the publication of 'Commissioning a Patient Led NHS' (CPLNHS) in 2005, the role of PCTs will focus increasingly on assessing the health needs of local people and commissioning services to meet those needs. There is an expectation placed upon PCTs to commission ever more responsive, high quality services from a range of providers and to achieve better value for money from this plurality. Similar expectations apply to Local Authorities who jointly commission Mental Health services with PCTs.

iv. The scale of any Mental Health organisation needs to be sufficiently large to deliver Choice and Value for Money (VFM), be innovative and have the authority to engage directly with other major stakeholders.

9. Although there is no evidence to suggest that any particular size of service is more effective at delivering higher quality, the scale of Mental Health organisation is undoubtedly a key factor in its ability to develop responsive and flexible services. It is highly unlikely that the individual services would be financially viable as 'stand alone' services and the alternative of being 'acquired' by a neighbouring Trust is not 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 offer choice, deliver better value for money and at the same time, take forward significant improvements in Mental Health in line with national policies.

11. The concept of patient "Choice" in the NHS is generally interpreted as choice of provider. The nature of mental illness makes choice of provider less relevant than choice of therapy and treatment – a range of evidence based therapies should be available as locally as possible. A single partnership trust would bring together the 'critical mass' of expert clinicians needed to develop an extended range of services. This may include the specialist services that are currently provided outside of the area. There is an opportunity not only to

offer a choice of treatment closer to home, but deliver treatment options in a more cost effective way.

12. A larger 'critical mass' of clinical staff would create better opportunities for development, research and peer support for clinicians and it would fit well with changes in medical training being implemented by the Deanery.

13. Both Walsall and Dudley mental health services are committed to the 'Recovery Model' of mental health. As a larger and distinct entity whose sole agenda is improving mental health, the new organisation would have direct relationships with other key organisations in the fields of employment, education & training, housing, voluntary and community services, all of whom may have a part to play in the recovery process. As an organisation in its own right, the Partnership Trust would engage directly and more deliberately with the media and opinion leaders as part of an enhanced strategy to promote mental health and inclusion.

v. Although Mental Health trusts can successfully provide services across boroughs, they need to remain local enough to engage with community-based stakeholders.

14. There is a growing acceptance nationally that provider organisations do not necessarily have to be configured locally as long as the commissioning of services takes place at a local level and is responsive to the needs of local people. In mental health services however, there remains a need for the provider organisation to have sufficient local presence to ensure effective partnership and engagement with other community stakeholders who have a role in the recovery process. Acquisition of the Dudley and Walsall services by a non local Trust is not an option which is supported by the local health and social care economy. The current proposals leave open the possibility of the Dudley-Walsall Partnership Trust forming the basis of a wider Black Country mental health organisation in the future. In such an event, the learning from developing a service across two boroughs will be very important.

15. A combined Dudley-Walsall Partnership Trust, spanning only two Local Authorities would be large enough to offer better value for money and to develop more flexible services but local enough to maintain and develop the close links with community-based partners which will be essential in taking forward *"Breaking Down the Barriers"* policy guidance. Furthermore, in keeping with the White Paper *"Our Health, Our Care, Our Say",* the proposed Trust would retain and develop the existing local partnership arrangements in each of the Boroughs and seek to develop further partnerships with independent and 'third-sector' organisations.

vi. Leaders of local mental health services need to have a firm belief in the benefits of a joint service in order to successfully carry through the reconfiguration process.

16. Mental Health leaders in Dudley and Walsall have a strong belief that better services can be delivered for service users from within a joint service rather than two separate services. This is an important consideration in tackling the

challenging process of service reconfiguration, as previous experience in the Black Country has demonstrated. Although there will be some initial cost associated with the setting up of the new Trust, there will be an opportunity to make efficiency savings in the longer term. In any event, the benefits that can be achieved for the people of Dudley and Walsall who may need to use mental health services in the future, and their families, are considered to far outweigh the likely costs of setting up the new organisation.

17. The strong belief in a joint service in Dudley and Walsall is underpinned by a robust working relationship between the two services and a determination to achieve partnership. The services have complementary strengths and the combined resources of both services would provide sufficient flexibility and 'mass' to effectively develop more rigorous approaches to social inclusion, services to support recovery, enhanced support for primary care services and new initiatives to support carers. Both PCTs have already established arms-length mental health provider Boards and there is already cross membership – the Walsall Mental Health Director is ex-officio member of the Dudley Provider Board and the Dudley Director is likewise a member of the Walsall Provider Board.

vii. Proposals for reconfiguration should be congruent with the policy trajectory of NHS provider Trusts.

18. The first Mental Health Foundation Trusts (FTs) are now in place and the policy trajectory of NHS provider Trusts will see many of the remaining provider organisations achieve FT status in 2008/09.

19. A Dudley-Walsall Mental Health Trust would be able to apply for and benefit from the freedoms of FT status from 2009. As an 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.

20. In particular, this would bring the wider involvement of users, their carers and the general public in the governance and development of mental health services in the two boroughs. Irrespective of achieving FT status, the Partnership Trust would, as far as possible, emulate the Governance arrangements of Foundation Trusts as a means of promoting inclusiveness and engagement of mental health users, carers and other stakeholders.

21. Due to increased autonomy and flexibility, a Foundation Trust would be better able to respond to the anticipated market in healthcare stimulated by the combined impact of Practice-based Commissioning (PbC), patient choice and Payment by Results (PbR) and the expansion of individual direct payments in social care. This would provide an added stimulus to innovate and redesign service delivery.

2.2 Summary of Benefits - HSMC Criteria

In 2006, NHS West Midlands commissioned the Health Services Management Centre of the University of Birmingham to undertake a review of PCT provider service development and configuration ('Options for PCT provider services: an evidence-based policy analysis for NHS West Midlands'). Although focussed primarily at community and primary care services, the review concluded that there are a number of criteria against which alternative models of PCT provision should be assessed.

The development of an NHS Trust providing services for Walsall and Dudley and working in partnership with the respective Local Authorities is the favoured option in considering these criteria, as follows:

Criteria	Walsall / Dudley NHS Provider
Acceptability	▪ Minimises impact of change to the local system configuration. ▪ Acceptable to service users and carers, staff and local community representatives. ▪ Minimises changes to employment and contractual arrangements.
Demonstrates robust governance	▪ Enables clear separation of commissioning and provider functions. ▪ Specialist focus on mental health issues enables development of more robust governance, safety and risk management infrastructure.
Supports collaboration and engagement	▪ Facilitates new and existing clinical networks. ▪ Enables development of robust clinical leadership infrastructure. ▪ Facilitates more direct engagement with non statutory organisations in support of the recovery model for mental health.
Promotes innovation	▪ Supports the development of new direction for mental health services. ▪ Enables an enhanced focus on service development and innovation. ▪ Facilitates extension of existing innovative service models. ▪ Enables the development of positive and appropriate relationships with commissioners.
Patient-focussed	▪ Promotes choice and access to a range of therapeutic alternatives in primary care. ▪ Supports service integration. ▪ Minimises the impact on care pathways. ▪ Enables the maintenance and further development of opportunities for integration with local communities.

Improves clinical quality	▪ Supports the development of robust clinical governance systems and processes. ▪ Enables the dissemination of best practice and learning.
Promotes public health	▪ Promotes equity in service provision across and between health economies, based on assessed need. ▪ Supports local initiatives and community developments. ▪ Provides a distinct focus for mental health promotion and engagement with agencies needed to support recovery.
Demonstrates economic viability	▪ Supports economies of scale which could not be achieved by two separate services. ▪ Facilitates the exploration of potential efficiencies within the services and better use of resources.
Promotes capacity	▪ Enables greater flexibility in workforce utilisation and planning. ▪ Enhances ability to recruit and retain high quality staff.

The health economies of Dudley and Walsall have also carefully considered the implications of not progressing with this proposal and believe that this would result in a high degree of risk for services. The timing of the proposed changes is right for both health economies and any further delay in progressing these plans would impact significantly on our respective abilities to deliver high quality, safe services.

2.3 Cost/ Benefit Analysis

The following section describes in detail the perceived benefits of establishing a Dudley / Walsall Mental Health NHS provider organisation weighed against the potential risks of maintaining the status quo with regard to services in each locality:

BENEFITS OF FORMING A WALSALL/ DUDLEY PARTNERSHIP TRUST	**COSTS /RISKS ASSOCIATED WITH THE STATUS QUO**
1. **An exclusive focus on mental health services would mean that the organisation's top priorities would be mental health priorities.** These priorities would be predicated on service and system improvements for service users and carers and efficiency improvements to allow reinvestment for service development. They might include for instance :	Mental health services are entering a period of complex change. Without a clear focus on mental health leadership these changes are unlikely to be completed or might be completed at risk. This will be at a cost to users of the services in terms of the range and quality of services they can access.

• ***Progressive integration between specialist and primary care service****s* (a top priority identified in *The Mental Health NSF: 5 years on*). This would include opportunities to create a wider choice of psychological therapies and access points in support of primary care. The new Partnership Trust would be able to build on nationally acknowledged good practice in Walsall.	Unless satisfactory services are provided from a specialist source Practice Based Commissioning may find it necessary to commission services on a much smaller scale. This may not provide the quality or value for money that might otherwise have been possible.
• ***Development of a comprehensive system of services for Older People with mental health problems*** (in keeping with *Raising the Standard)* as part of a whole system approach to mental health services for older people. This will be essential given the demographic trends and predicted increased incidence of dementia.	The role of the NHS in caring for older people with mental health problems and particularly those with dementia is ill defined and variable. The small scale nature of the current services may be insufficient to allow the necessary development of range and flexibility of response required of a modern service. The risk for older people who need the service is that they can end up in the wrong place at the wrong time for the wrong reason.
• ***Completing the modernisation of existing specialist mental health services in line with NSF guidance****.* This would build on existing success - for instance in the implementation of home treatment services in Dudley cited as a success story in *Breaking Down Barriers.*	Commissioners will need to review the cost effectiveness of traditionally provided services and may require change. If change is delayed the cost will be in terms of VFM and patient services.
• ***Provision of more specialist services closer to home.*** The eating disorder service, for example, which is very small at the moment, would benefit from pooled resources and any future investment could be optimised in a single team. New services, some provided at very high cost outside the area, could more easily be initiated with joint investment from Dudley and Walsall PCTs.	Apart from the additional cost of externally provided services there are clear benefits for (most) patients and their relatives when they are being treated closer to home. If these services continue to be treated out of area there will be a financial cost to the NHS and potential cost to recovery and continuing family support.
2. **Sufficiently large but sufficiently local, as an organisation in its own right, to take forward the agenda outlined in *'Breaking Down Barriers'*.** Employment, housing and strong social networks are as important to a person's	The cost of not breaking down the barriers falls on those who suffer the

mental health as the treatment they receive. Mental Health Services have an important role in breaking down the barriers that prevent people from re-building their lives. A re-profiled Partnership Trust would structure and organise itself to play a real part and be a real influence with potential partners outside the NHS and local authority, to support the recovery model of mental health. This is aligned with the priority attached to the recovery model indicated in the Black Country Mental Health Commissioning Proposals.	consequences of mental illness in terms of unemployment, homelessness, destroyed relationships, physical ill health and further deterioration of mental well being. The cost to the NHS is in terms of resource utilisation (in providing partially effective or ineffective solutions to complex problems), to the community at large (who fund the services that might not otherwise have been required) and to the families and carers who provide support systems and carry worry that might not otherwise have been necessary.
3. **A single health promotion focus and more direct access to media and other communication channels.** The Partnership trust would strongly promote mental health in keeping with the Mental Health NSF. It would be able to do so as it would be self determining in the emphasis it placed upon health promotion: • ***A dedicated mental health promotion function would be built into the new organisation,*** located within a newly formed Social Inclusion Directorate, liaising with the Public Health Directorates of PCTs. This function would inculcate a health promoting ethos within the Trust, supporting the physical health and well being of persons suffering from mental illness. • ***Direct access to local media and other communication channels would be easier.*** As a more visible organisation in its own right the Trust would find it easier to directly access local media with a key aim of improving public understanding about mental health and addressing the issue of stigmatisation around mental illness.	People who use mental health services, in particular those who suffer with a bipolar disorder or schizophrenia, are at an increased risk of a range of physical conditions including heart disease, diabetes, infections, respiratory disease and greater levels of obesity. The cost of not focussing on the wider health needs of people with mental illness manifests itself in term of their poor quality of life, premature death and avoidable expenditure in the NHS The cost of maintaining the current context of poor public understanding and negative attitudes will be the reduced likelihood of addressing employment, housing and general relationship issues for individuals with mental illness or recovering from it.

5. Greater opportunities in a Partnership Trust for users and carers to have a voice and to influence service delivery and development Service users and carers already contribute to various strategic and operational forums but limited numbers can mean limited access to involvement and sometimes limited access to a wider opinion. This is particularly so for services involving relatively small numbers of users. • ***The collective voice of users and carers across the two boroughs would be larger*** whilst preserving the local connection between user and carer representatives in each Borough. This, for example, would allow greater accessibility for consultation and involvement in staff recruitment and selection. • ***Bespoke user and carer arrangements can be put in place to meet the specific needs of people with mental health problems*** and their carers. For instance consideration could be given to emulating the governance arrangements of a Foundation Trust to create a much larger degree of involvement of users and carers along with other stakeholders.	User and carer input is essential to the successful design and operation of mental health services. Without the input the services are known to be poorly used and less effective. The cost falls to the NHS in terms of ineffectual use of resources and to service users in terms of lack of access to timely relevant and appropriate services.
6. Increased focus on Mental Health Informatics Information management in mental health services is notoriously poor. Combining the resources of two mental health services provides an opportunity to build a strong informatics function with specialist staff to support service management, SLAs, audit and R&D. This will: • ***Support innovation*** in a service wishing to innovate and attempt safe new ways of working. • ***Be essential to commissioners*** wishing to commission services in different ways and to monitor productivity in mature services to	Without valid and reliable information to inform commissioners there is a risk of expending resources on services which are not cost effective and incurring the opportunity cost of postponing investment in other types of effective mental health services. Without sound information to monitor performance there is a risk associated with investment in innovative new models and a risk to disinvestment in established models. The cost is financial for the NHS and

ensure best value for money. • ***support clinical governance*** providing risk prediction, analysis and avoidance	in terms of lost opportunity for recovery or risk to well being for the service user.
7. Improved recruitment and retention of scarce clinicians and other staff into a larger specialist organisation which is able to provide more opportunities for staff development. Against a national and regional trend where mental health services are generally becoming much larger, the separate small services in Dudley and Walsall will become relatively smaller and less attractive to staff. A combined Walsall & Dudley service will be better able to: • ***provide opportunities for staff to specialise*** • ***meet the costs and staff cover for continuing professional development*** • ***provide extended opportunities for shared learning and improved practice*** • ***Provide opportunities for career enhancement.*** • ***Provide adequate facilities and supervision for staff in training.***	If the individual services are regarded by staff and prospective staff as organisations that are very small and lacking opportunities then recruitment and retention could become critical over time. The cost will be to the quality and range of services to service users with the attendant risk of having to make premium payments to attract staff. The situation will be exacerbated if the services fail to be deemed suitable for training purposes. Provision of successful training placements supports subsequent recruitment of newly qualified staff.
8. Increased likelihood that a larger, specialist mental health trust with shared values and principles would be at the leading edge of good evidence based practice with greater opportunities for R&D R&D currently tends to be led by individuals pursuing individual interests. In a larger organisation there would be: • ***More ability to commit resources to R&D*** in support of service change and innovation.	The absence of an R&D ethos in a context where all large mental health providers have one, portrays a negative image of an organisation, one that is not interested in change and improvement. There may be a cost in terms of recruitment and retention particularly of senior clinicians who have R&D interest and expertise. The introduction of new models of service should be carefully monitored and evaluated. The

• ***Greater scope for audit*** with potential improvements to practice and outcomes • **Opportunities for shared learning and collaboration** with a larger nucleus of staff with R&D interests and skills.	alternative is potential introduction of unjustified risk or risk avoidance and consequent denial of effective new ways of service delivery
9. Improved access to services particularly out of hours A larger group of staff, in small specialities in particular, will allow more flexibility in staff deployment, especially at times of staff vacancies or absence. This will be particularly important in out of hours services, for instance in crisis intervention or hospital liaison services, and in smaller scale services such as CAMHS.	Reliance on a small team of professionals to run services can mean that access to services is restricted to office hours and/or central locations. Many of the crises experienced by people with mental health problems and their carers occur outside normal working hours. Maintaining teams limited in size could lead to denial of services to patients when they most need them.
10. Greater control over estate, facilities and corporate management services Currently the Dudley and Walsall mental health services receive support services as part of a generic contract for each PCT. Together, the services will become a significant purchaser of support services with greater opportunities to contract with services on their terms – whether these are provided by a local shared service or under some other arrangement.	Whilst support services continue to be contracted under a generic contract there is a risk that resources will be wasted and the quality of the built environment and inpatient facilities will be detrimental to the patient experience.

3. WHAT WILL THE NEW ORGANISATION LOOK LIKE?

3.1 Profile of the New Organisation

The new Mental Health Trust for Dudley and Walsall would cover a population of approximately 558,000 people and employ approximately 1200 staff. The services to which would be included are:

- All community and inpatient mental health services for adults of working age and Older People.
- All existing health-provided Child and Adolescent Mental Health Services (CAMHS).
- Substance misuse services.
- The medical component of Learning Disability services.
- Psychology services for people with mental health problems.
- Mental Health social care services which are managed by the PCTs on behalf of the Local Authorities via either formal or informal partnership agreements.

The following table shows a more detailed overview of the services provided within the two boroughs:

CARE GROUP	SERVICE	NEW TRUST	DUDLEY	WALSALL
Adult Mental Health	**Acute Inpatient**	**6 (NHS)**	4 (NHS)	2 (NHS)
	PICU/HDU	**1 (NHS)**		1 (NHS)
	ECA	**1(NHS)**	1 (NHS)	
	Inpatient Rehabilitation	**2 (NHS)**		2 (NHS)
	CMHT	**9 (LA &NHS)**	5 (LA & NHS)	4 (LA & NHS)
	Assertive Outreach	**2 (LA &NHS)**	1 (LA & NHS)	1 (LA & NHS)
	CRHT	**3 (LA&NHS)**	2 (LA & NHS)	1 (LA & NHS)
	Early Intervention	**2 (LA & NHS)**	1 (LA & NHS)	1 (LA & NHS)
	Rehabilitation - community	**1 (LA&NHS)**		1 (LA & NHS)
	Rehabilitation - residential	**Nil**		
	Eating Disorder - inpatient	**Nil**		
	Eating Disorder - community	**2 (NHS)**	1 (NHS)	1 (NHS)
	Prison In reach	**Nil**		
	Personality Disorder	**1 (NHS)**		1 (NHS)
	Psychiatric Liaison	**1(NHS)**		1 (NHS)
	Day care	**5 (LA&NHS)**	1 (NHS) April 07 1 (LA) April 07	3 (LA & NHS)
	MDO service/ Criminal Justice Liaison	**2 (NHS)**	1 (NHS)	1 (NHS)
	Employment service	**2(LA & NHS)**	1 (NHS) April 07	1 (LA & NHS)
	Outpatient Care	**(2 NHS)**	1 (NHS)	1 (NHS)
	Perinatal service	**nil**		
	Primary Care MH	**2 (NHS)**	1 (NHS)	1 (NHS)
	Carer support service	**1(LA&NHS)**		1 (LA & NHS)
	Service User support service	**1 (LA&NHS)**		1 (LA & NHS
	Crisis/alternative to admission beds	**1(LA)**		1 (LA)

	Housing support.	**1(LA)**		1 (LA)
	Welfare Benefits support	**1(LA)**		1 (LA)
Mental Health Service for Older People	**Inpatient - organic**	**3 (NHS)**	2 (NHS)	1 (NHS)
	Inpatient - functional	**2 (NHS)**	1 (NHS)	1 (NHS)
	CMHT	**4(LA&NHS)**	1 (LA & NHS)	3 (LA & NHS)
	Memory Service	**2 (NHS)**	1 (NHS)	1 (NHS)
	Daycare	**3(NHS)**	2 (NHS)	1 (NHS)
	Outpatient Care	**2 (NHS)**	1 (NHS)	1 (NHS)
	Primary Care MH	**1(NHS)**	+	1 (NHS)
	Carers support service	**1(LA&NHS)**		1 (LA & NHS)
Substance Misuse	**Inpatient**	**1 (NHS)(D)**	1 (NHS) (2 beds)	
	Community	**2 (LA&NHS)**	1 (LA & NHS)	1 (LA & NHS)
CAMHS	**Tier 1**			
	Tier 2	**2 (LA&NHS)(D)**	1 (LA & NHS)	1 (LA & NHS)
	Tier 3	**2 (LA&NHS)**		1 (LA & NHS)
	Tier 4			
BME	**Community Liaison Development Team**	**1 (NHS)(D)**	1 (NHS)	

3.1.1 Staffing

The new Trust would employ approximately 1200 staff, with an approximate breakdown as follows (figs at end March 2007):

Doctors	105
Nurses (qualified and unqualified)	621
Allied Health Professionals	42
Psychologists	112
Administrative Staff	173
Social Care staff	109

It is proposed that the staff would transfer to the new organisation via the Transfer of Undertakings (Protection of Employment) regulations 1981 i.e. 'TUPE', thereby protecting individual terms and conditions of employment.

3.1.2 Resources

A great deal of work has been undertaken regarding the finances of the new organisation. On one hand, the Project has been estimating the costs of the new organisation. In a parallel stream of work, the Finance Leads from each PCT in partnership with the respective Service Directors has proposed a total figure for the release of 'corporate overhead' into the new organisation. Each area of corporate overhead has been agreed based on an appropriate 'fair shares' basis, for example by percentage of overall PCT budget or by proportion of total PCT staff employed within mental health.

Appendix 2 shows the overall proposed first year operating budget for the new Mental Health Trust (shown at 2007/08 price base) of approximately £65 million. With less than 4% (£2.4 million) of income being from Service Level Agreements (SLAs) with other NHS bodies, the majority of funding comes from partner organisations and therefore represents minimal risk to the new Trust. The 2007/08 funding base for Walsall includes £1.2 million of development monies for new services and further

investment is planned on 2008/09 (£0.3 million) and 2009/10 (£0.3 million). Future investment from Dudley commissioners is still under discussion. However, Dudley PCT have indicated that they would wish to negotiate with the new Trust regarding additional service developments.

It is estimated that the net cost to the PCTs of establishing the new Trust will be in the region of £650,000 – £700,000. This represents less that 0.5% of the PCTs' combined resource. This figure does not include the residual impact on the PCTs arising from the need to replace some of the disaggregated corporate resource. Current calculations estimate that the value of these residual requirements are approximately £350,000 in Walsall and £300,000 in Dudley.

Both PCTs have stated and demonstrated their commitment to resourcing the set up of the new Trust. At this stage, it is not proposed that any corporate overhead resource be removed from either Local Authority and that 'corporate support' to Local Authority staff should continue to be provided by the respective Councils.

3.1.3 Performance

Both Dudley and Walsall have achieved a great deal of success in developing high quality Mental Health services which have achieved targets and fulfilled national policy requirements. The two sets of services have complimentary strengths – for example, Walsall have developed excellent primary care mental health services; Dudley have had real success in implementing effective Home Treatment services.

The annual 'Autumn Assessment' evaluates the performance of mental health services against a range of delivery indicators, the summary results of which are as follows (Autumn 2006):

No	Indicator	Walsall	Dudley
1	Graduate Workers		
2	Primary-Secondary Interface		
3	Crisis Resolution		
4	Early Intervention in Psychosis		
5	Secure Places/Intensive Care		
6	STaR Workers		
7	Local Strategic Partnerships		
8	The Mental Health of People with Learning Disabilities		
9	Vocational Support		
10a	Black & Minority Ethnic Peoples Services		
10b	Implementing the policy Delivering Race Equality in Mental Health		
10c	Community Development Workers (Black & Minority Ethnic Communities)		
11	Coordination between age specific services		

12	Governance		
13a	Service User Involvement		
13b	Care Involvement		
13c	Not for profit Sector involvement		
14	Employment of Service Users		
15	Suicide Prevention		
16	Advocacy		
17	Mental Health Promotion – Standard 1 strategy		
18a	Specialist Services		
18b	Personality Disorder		
19	Mental Health Act 1983 Section 135/136/Places of Safety		
20	Improving Access to Psychological Therapies		
21	Choice		

Walsall	Red = 3	Amber = 7	Green = 16
Dudley	Red = 1	Amber = 6	Green = 19

During the planning and implementation stages, services will be reviewed in detail using a range of information and feedback to agree areas for development and focus, ensuring that the quality of care across both boroughs is of the highest standard.

4. WHAT INFRASTRUCTURE IS IN PLACE TO SUPPORT THE CHANGE?

4.1 Risk Analysis

As with any proposal for organisational reconfiguration, a thorough understanding if the risks involved is essential. The cost/benefit analysis describes in the previous section outlines the risks to Mental Health services in Walsall and Dudley should the proposed new Partnership Trust not come to fruition. Furthermore, the Project Board has undertaken a risk analysis of the major challenges facing the proposal alongside the potential that the new Trust would not be established by 1st April 2008.

The Project Board has used standard risk methodology based upon a combination of likelihood and severity of outcome. A summary of the methodology is as follows:

Likelihood	Consequence				
	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
1 (Rare)	1	2	3	4	5
2 (Unlikely)	2	4	6	8	10
3 (Possible)	3	6	9	12	15
4 (Likely)	4	8	12	16	20
5 (Almost certain)	5	10	15	20	25

R (Risk) = C (Consequence) x L (Likelihood

An updated risk register for the project is then considered at each meeting of the Project Board and associated issues and mitigating actions are discussed and agreed, with particular attention being given to the 'red' risks. The latest draft of the Risk Register for the project is attached as appendix 3.

4.2 Consultation and Engagement

As with any plans for organisational reconfiguration, successful and effective engagement with stakeholders is crucial in agreeing and developing a way forward. Both Dudley and Walsall Mental Health services have good track records in seeking and incorporating the views of service users and carers in decision-making processes and in engaging with local communities. The new Mental Health Trust will build on this success and will ensure that Mental Health service users and carers play a key role in taking forward the new organisation.

Any consultation regarding the strategic-level configuration of services if formally undertaken between the Strategic Health Authority ('statutory consultor') and the relevant Health Overview and Scrutiny Committees of the Local Authorities ('the statutory consultees').

A consultation and communication plan has been agreed by the Project Board which outlines the programme of ongoing formal and informal communication and consultation with key stakeholders, including service users and carers, staff and

managers, MPs and Local Councillors, community and voluntary organisations and the general public. The plan is fully compliant with Section 11 guidance and associated best practice in this area (attached as appendix 4).

There is a particular section which focused on the involvement of staff groups and this has been agreed with the Staff Side representatives from the four respective organisations. Formal consultation with staff regarding their transfer to a new employer is extremely important, especially given the stated intention to transfer Local Authority Mental Health and Social Care staff into the employment of the new Trust.

The draft consultation document is attached as appendix 5. The joint 'statement of intent' demonstrating the commitment of the two PCTs and Local Authorities which was developed in spring 2007 and circulated to all staff is attached as appendix 6.

Pre-Consultation

A great deal of pre-consultation work has been undertaken and has in fact, been ongoing since the previous discussions involving Wolverhampton and Sandwell.

In 2006, a formal pre-consultation exercise was undertaken as part of the Black Country Mental Health Review which sought stakeholder views on the formation of a Partnership Trust involving two or more of the Mental Health services currently provided in the Black Country.

In total, 20 separate responses were received following the circulation of the pre-consultation document; half being from individual staff members and half from other stakeholders. The majority of the responses favoured the proposed direction of travel (that was, the establishment of a mental health organisation involving Dudley, Walsall and Sandwell Services), subject to clarification on issues such as staff terms and conditions.

Since then, the Project Board has kept all key stakeholders up to date with the proposed amendments to the plans, including:

- Walsall and Dudley Health Scrutiny Committees (joint meeting diarised soon).
- Both PCT and Local Authority Staff Side Chairs (regular joint meetings already in place).
- Walsall and Dudley PCT Patient and Public Involvement Forums (joint meeting diarised for July).
- Service User and Carer groups.
- Medical and other staff forums.
- Colleagues and partners in other statutory and non-statutory organisations.

The general feedback from these communications has been positive, demonstrating a keenness to develop a locally-generated solution for Mental Health services in Dudley and Walsall and to work with us in doing so.

4.3 Project Organisation

A Walsall / Dudley Mental Health Development Board was established in January 2007 and is chaired on behalf of the PCT Chief Executives by Professor Keith Wilson, who acts as Project Consultant. A full time Project Director commenced in post in May 2007. Reporting arrangements are in place between the Development Board, the PCT Chief Executives and the Local Authority Directors of Adult and Community Services.

The membership of the Development Board includes the Directors of Mental Health and Social Care, the Medical Directors and the LA Assistant Directors of Adult and Community Services. Corporate input is provided by senior managers from either Walsall or Dudley.

The Project workstreams and timeline are monitored on a monthly basis by the Development Board and the latest draft of the 'key project milestones' is attached as appendix 7. The Development Board take a particular interest in the possibility of changing requirements of the part of the Strategic Health Authority and Secretary of State with regard to the consultation and the subsequent impact that this would have on the later stages of the timeline.

The minutes of the meeting of the Development Board in 2007 are attached as appendix 8.

5. SUMMARY AND CONCLUSIONS

- There are a range of perceived benefits attached to the provision of Mental Health services by a specialist Mental Health Trust. National policy on commissioning patient-led service and provider development makes the case for provision of Mental Health services within PCTs increasingly untenable.

- One of the locally shared values is that mainstream services should be delivered on a local basis wherever possible and also that a range of specialist services should be commissioned as locally as possible too.

- Neither the Dudley nor the Walsall service would be viable as a stand-alone Mental Health Trust.

- The preferred option is to develop a Walsall and Dudley Mental Health Partnership Trust. This would be a financially viable organisation with an income in excess of £60 million, serving a population of over 500, 000 people.

- There is strong support from clinicians, commissioners, senior managers and staff for a joint Walsall and Dudley service. There is also a strong commitment to the process required to create a new Partnership Trust.

- The outcome from the previous and ongoing pre-consultation exercise and was positive overall and subject to the outcome of a full consultation exercise, it is feasible for the new Trust to be established by the target date of 1st April 2008.

- A significant amount of modernisation and development in line with achieving NSF and associated standards has been undertaken in each locality and is ongoing. Initially, the key challenges and expected improvements will relate more to processes, infrastructure and developing leadership capacity, which will have a direct impact on the quality of care provided.

- Efficiencies will be made where appropriate or as a mutually agreed consequence of service development and shared support services, with efforts to ensure alignment and consistency where necessary, whilst allowing for local flexibility.

- There are no current plans for significant change to the models or service delivery in either locality and this would not be proposed within the formal consultation process. However, it is anticipated that a joint service will provide scope for service development and redesign, which may not be achievable within smaller scale services. If such opportunities for service improvement present themselves and involve significant change, then further subsequent consultation would take place.

- The new Trust may subsequently wish to apply for FT status. From a financial perspective, informal advice from the Department of Health would suggest that the Trust would be considered for FT status. The process leading to the formation of the new Trust will align management processes and Governance in keeping with Monitor's requirements for FTs in readiness for any subsequent application.