

**Report on divestment of Bedfordshire Community Health Services for Central Bedfordshire Social Care, Health and Housing Overview and Scrutiny Committee: 18 October 2010**

This paper briefly outlines the process and progress in relation to the NHS Bedfordshire divestment of Bedfordshire Community Services to another NHS Trust to be completed by 31 March 2011.

**RECOMMENDATION:** OSC members are asked to note the report.

**1. Background**

In line with national policy set out in 'Transforming Community Services', all PCTs are required to divest their community services by 31 March 2011.

NHS Bedfordshire in partnership with NHS Luton and supported by the Strategic Projects Team (SPT) at the East of England Strategic Health Authority, are undertaking a jointly led Managed Dialogue process for the divestment of Bedfordshire Community Health Services and Luton Community Services. This will allow for NHS Bedfordshire and NHS Luton to transfer their community services, including staff, to another NHS organisation by no later than 31 March 2011.

The transfer is an 'as is' transfer of services, which means the services are being transferred in their present formats. It is not a service reconfiguration. From day one of the transfer, patients will continue to receive their usual NHS services, by the same staff and from the same locations. This is a separate process from ongoing and future service development.

**2. Divestment Process to date**

On 9 June, following a robust process, 26 NHS organisations were invited to express an interest as potential acquirers for Bedfordshire Community Health Services (BCHS) and Luton Community Services (LCS).

Of the seven organisations who expressed an interest, the following submitted responses to the invitation letter. All expressed preference for acquiring both BCHS and LCS.

1. Bedford Hospital NHS Trust
2. Cambridge Community Services NHS Trust

3. Luton and Dunstable Hospital NHS Foundation Trust
4. South Essex Partnership University NHS Foundation Trust

An assessment of all four potential acquirers was completed on 1 July, following a detailed assessment process, undertaken by an assessment team consisting of staff from NHS commissioning, provider services, practice based commissioners (PBCs) and others. Three organisations successfully met the initial requirements at this stage and were selected to go forward to the managed dialogue stage. These were:

1. Cambridge Community Services NHS Trust
2. Luton and Dunstable Hospital NHS Foundation Trust
3. South Essex Partnership University NHS Foundation Trust.

The Dialogue Prospectus, setting out the divestment requirements for NHS Bedfordshire and NHS Luton and key stakeholders, was issued to the three potential acquirers on 17 August. An online Data Room Library, containing extensive additional information for the potential acquirers, also went live on this date.

The Managed Dialogue Prospectus was issued on 17 August 2010. A wide range of people have been involved in the development of specific questions and criteria, including representatives from the local authorities, LINKs, PBCs, GPs, local medical committee (LMC) and staff side from both community services. ]

The Dialogue Prospectus assessment criteria, developed through discussions across a wide range of stakeholders including PBCs, local authorities and staff side, were signed off by both PCT chief executives and issued to the potential acquirers on 3 September.

During September, the potential acquirers have had the opportunity to request clarification meetings, including meetings with local authorities and undertake escorted site visits, which each acquirer has taken advantage of to help inform their responses to the Managed Dialogue.

Potential acquirers were given the opportunity to meet with local authorities during September. These meeting allowed potential acquirers to ask local authorities about their aspirations for community services.

On 22 September 2010, Luton and Dunstable Hospital NHS Foundation Trust confirmed their decision to withdraw from the process for strategic reasons.

The Managed Dialogue clarification meetings were completed on the 24 September and the responses to the Managed Dialogue of the two remaining potential acquirers' were submitted to SPT on the 29 September. Those responses are being assessed.

The CEOs of NHS Bedfordshire and NHS Luton met with the OGC Gateway review team on 2 September. A gateway review is expected to take place at the end of November to review and assure certain stages of the Managed Dialogue process. Some key stakeholders such as PBCs, local authorities and staff side representatives will be interviewed as part of the review.

### 3. Stakeholder Engagement

Staff have been kept informed and involved through a range of activities, including information on staff intranet, staff sessions with the BCHS Chief Operating Officer, Q&A response service, Next Steps divestment newsletter, articles in other internal newsletters, representation on Divestment Project Board and Divestment Stakeholder Reference Group. Staff representatives have been involved in developing Managed Dialogue Prospectus, developing assessment criteria and carrying out assessments.

A stakeholder reference group was established early in the process to ensure the engagement of a broad range of stakeholders. The group comprises around 40 people with representatives from staff side, patients groups, PBCs, local authorities, NHS Luton, NHS Bedfordshire, BCHS and LCS. Members have assisted in the effective cascade of information as well as bringing wider stakeholder views to the group. As part of the assessment process, the representatives of stakeholder group will interview both potential acquirers on 6 October.

The SHA's Special Project Team's website has regularly update and comprehensive information about the divestment project, with a link from the NHS Bedfordshire website. The PCT works with the SPT to ensure effective distribution of online project newsletters, 'Next Steps' and 'Next Steps Now'. Briefings have been offered to a range of stakeholders, including OSCs. The PCT's media manager works closely with the SPT to ensure effective media relations, providing news releases and responding to media enquiries.

### 4. Key milestones

The project is on track to meet the Divestment deadline of 31/03/11. The table below sets out the key milestones.

Milestone	Completion Date
Managed Dialogue Prospectus issues to potential acquirers	17 Aug 2010
Acquirer responses received	29 Sept 2010
Assessment of Dialogue Prospectus responses	30 Sept -15 Oct 2010
Stakeholder Reference Group potential acquirer interviews	6 Oct 2010
Clarification meetings	21-28 Oct 2010

Project Board to Acquirer Board interviews	29 Oct 2010
Identification of preferred acquirer	4 Nov 2010
Project Board to approve preferred acquirer	11 Nov 2010
Full Business Case and internal approvals	w/c 22 Nov 2010
OGC Gateway Review	End Nov 2010
External approvals	Nov 2010
Transaction Agreement / Signature	End Nov 2010
Agreement of commissioning contract	End Dec 2010
Transition commences	Jan 2011
Acquisition completes and services commence	31 Mar 2011

## **5. Next Steps**

The project teams have been and will continue to work with key stakeholders and work stream leads, including PBCs and local authorities during the next stage of the process.