

Tel: 01223 597680
Fax: 01223 597742
E-Mail: Paul.watson@eoe.nhs.uk
Website: www.eoe.nhs.uk

East of England Strategic Health Authority
Victoria House
Capital Park
Fulbourn
Cambridge
CB21 5XB

Our ref: PW/jas

Date: 18 December 2007

Tel: 01223 597500
Fax: 01223 597555

To: PCT Chief Executives

Dear colleague

Local procurement of New GP Practices and Health Centres

As you know, following Lord Darzi's interim report there are two major primary care procurement exercises that are about to get underway: bringing new practices into some of the most under-doctored PCTs, and introducing new health centres in every PCT. Both of these procurements need to be completed by the end of 2008.

We do not yet have final details of how these procurements will operate from DH. However, we do know that we will need to move quickly, so I am writing to you at this point to flag up the early work that we need to set in train.

There are two key tasks that you need to begin to consider:

- the development of the specification for the Health Centre (and, in the case of Luton PCT, the new practices).
- how you will approach consultation locally.

DH have just released a range of support material, including some helpful templates, to assist us with these procurements. These can be found at www.dh.gov.uk/procurementatpcts and include:

- an interactive procurement plan
- a PCT procurement handbook
- template and guidance documentation

From information that has been circulated so far service specifications will need to be ready for sign off by the SHA at the end of February. Attached is a draft Gantt chart outlining this and other milestones for procurements set out by the DH.

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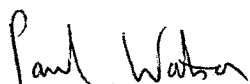
The DH is also keen to identify 'front runner' PCTs; that is PCTs who are able to have services in place by the end of 2008. I would be grateful if you could let me know as soon as possible if you think your PCT might be in a position to proceed on an accelerated timescale.

These procurements are clearly an important part of our broader agenda to improve access and responsiveness in primary care. Over the coming weeks, we will need to have further discussions about how we run this programme of work, including agreement about what to do locally, and what to do at an SHA level. I look forward to discussing this further with you.

In the meantime, however, I would be grateful if you could start work on the specification, and on deciding how you will approach consultation locally.

If you have any queries at this point, please do contact either me, or Andy Vowles.

Yours sincerely



Dr Paul Watson
Director of Commissioning

cc PCT Directors of Commissioning
Andy Vowles
Nicola Jones



New King's Beam House
22 Upper Ground
London
SE1 9BW

Tel: 020 7633 4131
Fax: 020 7633 7665

To: SHA Directors of Commissioning

Copy: SHA Chief Executives
SHA Directors of Performance

21 December 2007

Gateway Ref: 9194

Dear Colleague

**DELIVERING EQUITABLE ACCESS TO PRIMARY MEDICAL CARE:
LOCAL PROCUREMENTS FOR GP PRACTICES AND HEALTH CENTRES**

1. This letter sets out the principles, success criteria, procurement processes and timescales that will need to underpin the development of new health centres and GP practices.
2. I would be grateful if SHAs could take action to:
 - share this letter with all the PCTs in their area and discuss with them the immediate next steps in preparing for these procurements
 - identify by **4 January** potential front-runner PCTs that are likely to be able to have health centres and/or new GP practices opening by or before December 2008 (see paras 8-9 below).
3. SHAs should already be working with their PCTs to ensure that they are setting up local teams to plan and undertake the procurements that will underpin delivery of these commitments. It is important to emphasise that these will be procurements for new services, not necessarily procurements for new buildings or facilities. Local plans will need to strike the right balance in terms of delivering new services at pace and to sustainably high standards of quality, innovation and value for money.

Background

4. The interim report of the NHS Next Stage Review (NSR) gave a commitment that the NHS will establish at least **150 GP-led health centres**. These centres will provide access to GP services (including walk-in services and pre-bookable appointments) from 8am to 8pm, 7 days

a week. They will also need to be co-located and integrated as far as possible with other community-based services including social care.

5. The NHS Operating Framework 2008/09 confirms that each PCT will be expected to complete procurements during 2008/09 for (as a minimum) the GP services that form the core of these health centres.
6. The NSR also gave a commitment that the NHS will establish at least **100 new GP practices** in areas with the greatest needs. On 23 November, Ministers announced the list of 38 PCTs that will receive additional funding to procure these new services. The relevant SHAs have since indicated that these PCTs will between them be able to commit to the procurement of 100 new practices (in line with commitments given in the NSR interim report), assuming a maximum of three practices per PCT.
7. We will be writing separately to PCTs about the associated commitments in the NSR report and the NHS Operating Framework 2008/09 to ensure that at least 50% of GP practices provide extended opening hours.

PCT front-runners

8. There will be some PCTs that are likely to be able to have new services (either for health centres or for GP practices) up and running within the next twelve months. This is likely to mean having well-developed specifications for new services, which enable the PCT to go to the market before April 2008, and already having suitable premises from which new services can be provided (e.g. LIFT or other community facilities). We are keen to work closely with these PCTs to ensure that we can rapidly spread learning.
9. I would be grateful if you could provide an initial view, by 4 January, of which PCTs will potentially be ready to award contracts and have services up and running either for health centres or (where applicable) for GP practices in the months leading up to December 2008.

Principles, success criteria and procurement process

10. **Annex A** sets out the proposed principles and criteria that should underpin the procurement of all new services in this programme. **Annex B** sets out the proposed timescales for procurements, based on the aim of completing all procurements by the end of December 2008, while recognising that service commencement dates will vary depending on issues such as premises development and staff recruitment.
11. We have sought to avoid too prescriptive a national approach to reinforce local ownership and innovation. However, we do expect local plans and specifications to be ambitious and forward-thinking in considering how both GP practices and GP-led health centres reflect wider strategic priorities.

12. There will need to be a particular focus on achieving closer integration with other community services and social care, particularly in relation to new health centres. This does not mean that these wider services will themselves necessarily be included in the procurements – that is a matter for local decision-making. However, in inviting tenders for new GP-led services, PCTs will need to seek evidence that prospective providers will be able to play a key role in achieving the necessary level of integration with other services. PCTs should be considering the full range of service models from all potential providers including, for example, social enterprises, independent and third sectors, and entrepreneurial GPs.
13. As indicated above, these will be procurements for new services, not necessarily procurements for new buildings or facilities. PCTs will need to consider how existing physical infrastructure (e.g. LIFT) and forthcoming capital developments (including the £750m Community Hospitals & Services National Programme) can best be used to support the development of new practices and health centres.

Milestones

14. We intend to ask SHAs to report progress against the following key milestones in the overall procurement timescale.

Milestone	Task	Reporting Date
1	SHAs sign off PCT project specifications	29 Feb 08
2	PCTs to have placed adverts and Memorandum of Information (MOI)	16 May 08
3	PCTs evaluate Pre-Qualifying Questionnaire (PQQ) and select bidders	29 Aug 08
4	SHAs sign off Invitation to Tender (ITT) and PCTs issue to selected bidders	31 Oct 08
5	Contracts awarded and signed	31 Dec 08

15. The Commissioning and System Management Directorate and Commercial Directorate will work with Performance colleagues to escalate action where necessary.
16. The Department will not be scrutinising individual plans or specifications, but will be asking SHAs to provide assurances that in completing each of these milestones PCTs are managing the procurements in ways that reflect the principles and core criteria in Annex A.

Funding

17. Following the 2007 Comprehensive Spending Review (CSR), the Secretary of State for Health announced on 10th October a £250 million access fund to support delivery of these services. This sum (£250m) represents the full additional investment that will be reflected in PCT

allocations from 2010/11 onwards, with an additional £200m due to be included in PCT allocations in 2009/10.

18. Funding for GP practices (in the 38+ PCTs) will be based on a fixed rate allocation for each practice. The relevant SHAs and PCTs will receive confirmation of this funding in early January. PCTs may of course wish to add to this floor funding from their general allocations, for instance where they wish to develop larger practices or to establish additional services in these practices.
19. Funding for health centre services will be included in PCTs' overall allocations, given that the scale of investment in these new services is best determined locally taking into account the range of services that should be included. The funding for health centres included in the £250m access fund reflected assumptions about the core GP services that will need to be procured (i.e. providing access to walk-in services and pre-booked appointments 8am-8pm, 7 days a week), but PCTs will clearly wish to build on this to achieve more integrated services.

Support

20. At the national conference last week, the Department launched the PCT Procurement Framework. The Framework contains a comprehensive set of tools to support SHAs and PCTs to undertake the local procurements including:

- an Interactive Procurement Plan (typical procurement process and timelines)
- a PCT Procurement Handbook (step-by-step guide to managing a procurement)
- template and guidance documentation (to support the Plan and the Handbook)

This is now available at www.dh.gov.uk/procurementatpcts

Email support for the Framework can be obtained via equitableaccess@dh.gsi.gov.uk

21. We will also work with colleagues in the Commercial Directorate to support the use of the PCT Procurement Framework through a National Support Team. In addition to providing technical support through an electronic mailbox, the team will provide regional masterclasses, for key personnel at SHAs and PCTs, on using the Framework and broader issues associated with procuring new primary care services. We are scoping dates and venues for the end of January and will provide more details in the new year.
22. As part of the national support package, commercial expertise and support will be available for SHAs through Commercial Partnership Managers (CPMs). CPMs will provide general expertise in commercial processes such as procurement, contracts, competition and transactions. They will

support the SHA to co-ordinate, manage and deliver the local procurements and will liaise closely with the National Support Team. CPMs will also support the SHA in holding regional events to engage and manage all potential bidders.

23. PCTs will also have access to a named NHS PASA resource to provide procurement support within each SHA region. This resource will be working in conjunction with the National Support Team.

Conclusion

24. I look forward to working with you on this important programme, which we expect to play a key role in improving access to GP services, reducing health inequalities, and developing innovative primary and community care services.

Yours sincerely



Ben Dyson
Director of Primary Care
Commissioning and System Management Directorate

Principles

- New Access Fund monies are for new capacity – not expansion or replacement of existing surgeries or health centres.
- Investment must be for additional clinical capacity (i.e. extra GPs, nurses and support staff)
- These are procurements for new and innovative services, not necessarily for new buildings or facilities. PCTs may wish to consider how facilities within LIFT developments or other community developments can be used to host these new services, either on an interim or longer-term basis.
- Every health centre will have at its core the provision of GP services. We want anyone (regardless of where they are registered) to be able to use these services, to get bookable GP appointments or walk-in services 8am to 8pm, 7 days a week.
- PCTs will commission these new GP services – and the new GP practices in deprived areas – following an open and transparent tendering process, most likely using APMS as the contracting vehicle because of the flexibilities it gives to the commissioner.
- PCTs will also need to work out how these GP services can be potentially co-located and integrated with other services (eg pharmacy, diagnostic, social care). The provision of these wider services may not itself be part of the procurement. PCTs will, however, need to make sure that the new service providers are sufficiently innovative to work with the PCT to help achieve this wider integration.

Core Criteria

Below is the core criteria for each set of procurements i.e. the minimum features that all new GP practices and walk-in GP led services should reflect in their service specifications. PCTs will clearly wish to build on these core features to develop the most responsive, integrated services that reflect local health and healthcare strategies.

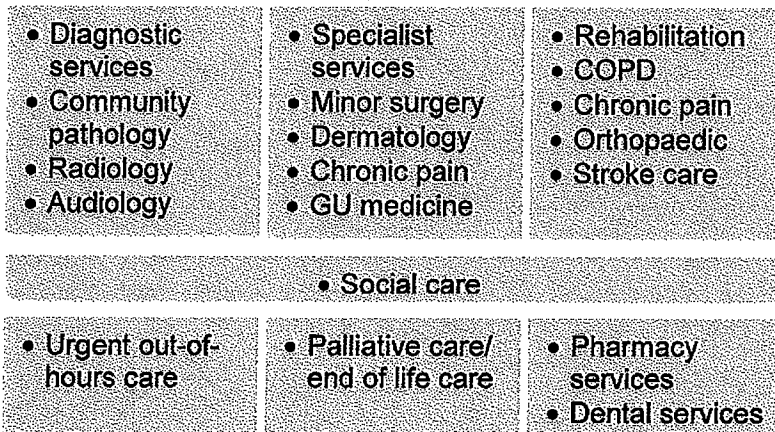
GP practices

- Core GP services
- List size of at least 6,000 patients
- Extended opening hours
- Plan to be a accredited training practice
- Engaged in practice based commissioning
- Wide practice boundaries

Health Centres

- Core GP services
- Maximising opportunities to integrate and co-locate with other community-based services, including social care
- Easily accessible locations
- Open 8am-8pm, 7 days a week
- Bookable GP appointments and walk in services
- Registered and non-registered patients

Local flexibilities will enable PCTs to maximise innovation by integrating and co-locating health centres with other services



PCT success criteria

(with some illustrative examples that PCTs may wish to consider as the evidence base)

GP Practices

- An increase in the number of primary care clinicians

(e.g. overall numbers of whole time equivalent GPs and Practice Nurses at intervals of 12, 18 and 24 months after service commencement)
- An increase in the percentage of GP practices in the PCT area offering extended opening
- Measurable increase in patient choice

(e.g. proportion of PCT residents that have choice of two or three practices within three miles)
- Increased access to GPs and practice staff

(e.g. measured in terms of opening hours, hours of face to face contact, actual appointments offered).
- Improvement in patient satisfaction with GP access
- Evidence that the new practice will have a specific focus on promoting health and preventing ill-health

(e.g. through introduction of smoking reduction services, sexual health, alcohol and substance misuse services, diet, exercise and weight management, improving back to work services etc)
- Measurable increase in the quality of GP practice services

(e.g. referral rates, prescribing patterns, QOF levels, OOH/A&E utilisation of existing practices v new provider).
- Active engagement and participation in PBC.

GP-Led Health Centres

- Patients have increased access to GPs and practice staff
(e.g. measured in terms of opening hours, hours of face to face contact, actual appointments offered).
- Availability of bookable appointments with GPs and walk-in services for both registered and non registered patients
(e.g. measured in appointments made).
- Evidence that services are located in areas that maximise convenient access to these services.
- Evidence of maximising opportunities to co-locate and integrate these GP services with other local services (e.g. pharmacy, diagnostic, social care).
- An increase in the percentage of GP practices in the PCT area offering extended opening
- Increased public awareness of the range of services available locally and where to make appropriate use of them.

Proposed timescales and performance milestones for procurements

