



16 December 2010

CCP recommends remedies to address concerns about specialist commissioning group's use of exclusive framework agreements

Following a conduct complaint submitted by Hanover Healthcare – a provider of mental health services - the Cooperation and Competition Panel (CCP) found that the North West Specialised Commissioning Group's (NWSCG) use of four year exclusive framework agreements for low and medium secure mental health services breached the Principles and Rules for Cooperation and Competition (Principles and Rules).

In concluding its investigation the CCP found that NWSCG's use of four year exclusive framework agreements for these services was likely to result in material costs to patients and taxpayers. Before providing its advice and recommendations to the Secretary of State for Health, the CCP invited comments from interested parties on how the breach of the Principles and Rules might best be remedied. Having considered all responses, the CCP has decided to recommend to the Secretary of State the following remedies in relation to the commissioning and procurement of additional capacity for medium and low secure mental health services in the North West:

- (i) From now on, NWSCG will acquire the relevant services from providers whether or not they are admitted to the Framework Agreements, basing its purchasing decisions on value for money considerations, taking full account of the CCP's decision in this case and acting in compliance with the Principles and Rules, and the Procurement guide for commissioners of NHS-funded services; accordingly NWSCG will make a public statement reflecting this.
- (ii) NWSCG will refrain from entering into exclusive long term framework agreements in future and will make this clear in a public statement of its commissioning intent.
- (iii) NWSCG will publish on its website details of contracts it has entered into, such details to include the services provided under each contract and the identity of the provider. NWSCG will also keep complete and accurate records of the reasons for its decisions.

CCP Director Andrew Taylor commented:

"The CCP expects that these recommended remedies will be effective in addressing the costs to patients and taxpayers identified in our investigation. The exclusive nature of the framework agreements limits NWSCG's choice of provider to only those providers admitted onto the frameworks and this needs to be rectified."

Mr Taylor added:



“Our recommendations still leave a high degree of discretion to NWSCG as to how it will procure the relevant services but they will ensure the NWSCG actively considers its purchasing decisions in order to obtain value for money for taxpayers and high quality services for patients.”

ENDS

Notes to Editors:

1. The Principles and Rules for Cooperation and Competition (Principles and Rules) form the basis of the Department of Health’s policy of managing cooperation and competition in the NHS in a fair, consistent and transparent manner. The Principles and Rules aim to ensure the NHS comprises providers and commissioners who deliver the needs of their patients and populations, and that both providers and commissioners co-operate to foster patient choice and offer patients an experience of a seamless health service, regardless of organisational boundaries, whilst maintaining service continuity and sustainability. The role of the CCP is to advise on the application of the Principles and Rules. Further information on this case and the CCP’s approach to cases more generally is available on its website at: www.ccp-panel.org.uk.

2. The CCP accepted this case on 2 June 2010 and proceeded to a Phase II investigation on 27 July 2010. On 19 November 2010, the CCP published its substantive report on this case, concluding that NWSCG had breached the Principles and Rules by putting in place four year exclusive framework agreements for the provision of medium and low secure mental health services in the North West of England. On that date, the CCP also invited comments from interested parties on how the breach of the Principles and Rules might best be remedied, before providing its advice and recommendations to the Secretary of State for Health. Responses to the invitation to comments were published on the CCP’s website.

3. For inquiries about the Co-operation and Competition Panel contact Tom Frusher, Policy and Communications Director, on 0207 270 5442/07825 256 530 or visit www.ccp-panel.org.uk