Dear Colleague

SMOKING, HEALTH AND SOCIAL CARE (SCOTLAND) ACT 2005: PROVISION TO ENABLE SCOTTISH MINISTERS AND HEALTH BODIES TO ENTER INTO JOINT VENTURES.

1. This letter is to advise that the Scottish Executive has introduced within the above Act, which came into effect from 17 October 2005, powers to give Scottish Ministers and Health Bodies the ability to form and participate in forming Joint Venture Companies to provide health facilities and services. This will permit additional investment in primary care and facilitate joint premises development with other public and private sector partners. The Act introduces a new provision into the National Health Service (Scotland) Act 1978 to permit this.

2. To confer these powers on Health Boards, the Functions of Health Boards (Scotland) Amendment Order 2006 has been introduced with effect from 1 April 2006. No amendment has been made to the Establishment Orders for Special Health Boards.

Background

3. In January 2001, a report by the Scottish Executive Short Life Working Group on Primary Care Premises Development recommended that innovative procurement options be developed including the suitability of the NHS LIFT Joint Venture model which was under development by the Department of Health. The NHS LIFT model is a Public Private Partnership (PPP).

4. Legal opinion confirmed that neither Scottish Ministers, nor Health Bodies on their behalf, had the powers to form, participate in forming, nor to take shares in Joint Venture companies charged with the delivery of Health facilities or services.

17 May 2006

Addressees

For action
Chief Executives NHS Boards,

For information
Chief Executive National Services Scotland
Chief Executive State Hospitals Board for Scotland,
Chief Executive Scottish Ambulance Service Board.
Chief Executive NHS 24,
Chief Executive National Waiting Times Centre
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5. A Project Board to determine the future direction of Primary Care Premises Development in Scotland was established and concluded in July 2002 that legislation should be introduced to allow Joint Ventures to be introduced into Scotland and that the potential for joint working would be examined in detail. These recommendations were endorsed by the Minister for Health and Community Care in August 2002.

6. To take the agenda forward a joint working group centred around SEHD, the NHS and CoSLA examined joint premises issues including the proposal to develop a NHS LIFT type model. A report was issued in July 2003 reaffirming the desire to develop the Joint Venture model and to consult formally on seeking legislative powers and the application of the NHS LIFT model specifically.

7. A full consultation of a wide range of stakeholders in the public and private sectors (including Trade Unions and health care professional associations) ran from February to May 2004. The consultation responses were very supportive of the proposal to seek powers to allow the formation of Joint Ventures.

8. Provisions to give Scottish Ministers the requisite powers were contained within the Smoking, Health and Social Care (Scotland) Bill which was introduced to Parliament on 16 December 2004. The Bill was passed by Parliament on 30 June 2005 and received Royal Assent on 5 August 2005.

9. A Joint Premises Project Board (JPPB) comprising NHS, Local Authority (nominated by COSLA) and Scottish Executive interests was established to take forward a programme of work including Joint Ventures. Recommendations on the structure of the model were accepted by the JPPB on 18th August and a formal recommendation was made to the Health Minister in November 2005.

NEXT STEPS

10. The Minister has approved the recommended model which is a corporate Joint Venture limited by share capital, based on the LIFT model in England which will be further developed and adapted for Scottish circumstances. There will be a managed approach to the new initiative to ensure all parts of the country have access to the model.

11. The initiative has been named the “hub” programme with the descriptor ‘Building Better Local Services Together’ and was announced on 6th February 2006 by the Deputy Minister for Health at a Joint Futures event in Edinburgh.

12. It will play a part in taking forward the programme of action set out for the NHS in “Delivering for Health” as the service seeks to shift the balance of care from the traditional District General Hospital to multi-disciplinary, community based teams. Guidance on the implementation of this programme is provided in HDL (2006) 12 dated 28 February 2006.

13. The Scottish Executive, together with Partnerships UK, have commenced work on a business case which will set out the rationale, anticipated costs, shape and structure of the National Delivery Vehicle and the proposed investment programme.
14. It is likely that a National Joint Venture will be established during the course of this year with local pathfinder projects launched in 2007.

15. The Scottish Executive would urge all Health Boards and public bodies to engage in this development. You will be contacted by Partnerships UK shortly to start engagement around the development and implementation of the hub model across Scotland.

Yours sincerely

ALEX SMITH
Interim Director of Finance