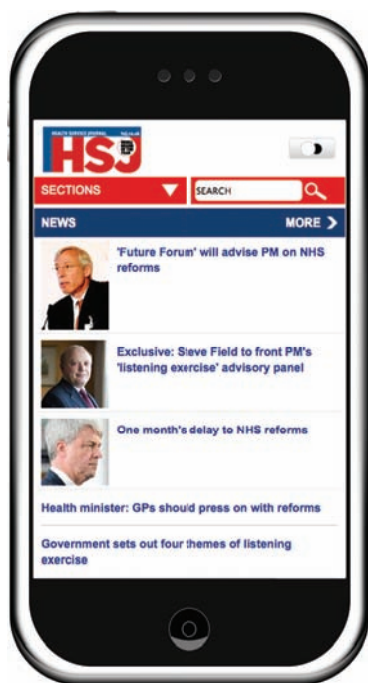


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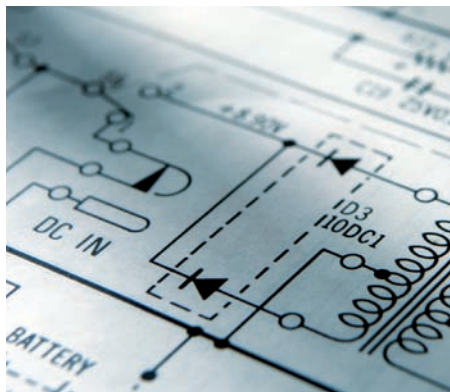
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FOREWORD

Cooperation and trust are keys to long term success

I am delighted to have been asked to write the foreword to this supplement at a time when the challenge of improving patient care and controlling the ever-growing cost burden of delivering effective, safe healthcare services has never been greater.

There has never been a more important time to focus on the benefits of outsourcing. This is based on evidence I see from our healthcare businesses around the world. Significant economic and patient care benefits have been achieved when healthcare organisations have the opportunity to focus on their core competence: the delivery of clinical services.

To get the best from outsourcing, the partnership model must be right from the word go – transactional business models tend to work less effectively in complex and changing environments. As one of the world's largest outsourcing companies, we are familiar with most outsourcing models and how to generate real value for clients.

To those considering outsourcing, I would advise that you ask your private sector partners the right exam questions: think hard about what is core to your organisation and what is not; think about what outcomes you want to drive; and think about what sort of relationship you want. Our role in this process is to put options on the table and to evidence the outcomes.

The private sector is often seen as a money focused adversary of the NHS, but this is an outdated view. We understand that long term, mutually beneficial relationships, built on partnership, cooperation and trust, work best. An example of

the innovative arrangements we work hard to deliver is to be found in our justice services business. A Social Impact Bond is being piloted at one of the prisons we run for the Ministry of Justice, Her Majesty's Prison & Young Offenders Institution Peterborough. It is the first scheme in the world that is using new funding from investors outside government with the aim of reducing reoffending. When finances are tight, "payment by results" models can tap into new sources of funding to help reduce crime, change lives and provide value for money for the taxpayer.

We must always remember the person on the receiving end. People are customers and consumers, not just patients. And consumers have a powerful voice; they will hold an opinion on everything they come into contact with during their hospital stay, from cleanliness to the way staff engage with them.

If they are going to be successful, healthcare organisations cannot focus on everything, so try to focus on the core activities and find partners to help you with the non-core activities and processes. This supplement showcases current thinking on outsourcing and should be a valuable resource to every reader. ●

Simon Scrivens is managing director of Sodexo Healthcare.



SOLUTIONS FROM NEW SOURCES

Can outsourcing provide the answers to the problem of saving cash while still providing first class facilities and treatment? Greg Pitcher looks at the pros and cons

As the NHS reshapes itself to fit with its new political and budgetary requirements, it has no choice but to make big decisions regarding its monolithic estate.

Two statistics. The health service owns in excess of 25 million m sq of property; and it spends more than £6bn on estate and hotel services each year.

It is clear that trusts will need a sharp focus on achieving value for money from soft estates management such as facilities management, cleaning, catering and laundry if they are to make the efficiency savings required of them and provide cutting edge healthcare.

The pro-market hue of health secretary Andrew Lansley's reforms would suggest recourse to the private sector for soft estates services.

But according to *The Guardian* analysis of the most recent government data, 38 per cent of estate and hotel service provision was already outsourced to private sector providers in 2009/10.

So does outsourcing necessarily provide value for money, and what is the best way of ensuring the best estate services for the lowest cost?

Karen Prosser, health sector partner at built asset consultancy EC Harris, says it is more complex than just getting the private sector in. An EC Harris report published this summer found huge variance in the cost of managing health estate. The five cheapest primary care trust estate management services cost more than 40 per cent less than the mean price in 2009/10.

Ms Prosser says: "There is definitely scope for more efficiency. Our observation is that there are significant differences in the costs of delivering these services.

"There can be a lack of efficiency when services are delivered in-house but also when they are outsourced but not procured wisely."

Inefficiencies occur when soft estates management is done poorly – but also when it is done too well.

Does a reception area really need to be as clean as an operating theatre, for example? Getting the brief right for estates management teams, whether they are from the public or private sector, is crucial.

"There is a massive difference in the specs trusts are asking for," says Ms Prosser.

"And they do not seem to relate directly to quality of service delivered; there does not seem to be a significant correlation between cost and perception of cleanliness."

'We can be more cost effective because we can be more flexible. We can reduce costs by looking at processes'

Benefits

Support services and construction firm Interserve is speaking to an increasing number of trusts about providing their soft estates management services. According to Maria Kitching, managing director of health at the firm, outsourcing can allow trusts to reduce their costs as well as improve their overall patient outcomes.

"One of the reasons trusts look to outsource is to concentrate on clinical duties, and allow specialists to deliver the services they see as non-core," she says.

"We can also be more cost effective because we can be more flexible. Most of the time we can reduce costs by looking at processes."

The key to achieving these process-driven efficiencies is incentive. The private sector





‘There are financial and administrative benefits to trusts of outsourcing – less time spent on HR, sickness management’

CASE STUDY: TAMESIDE HOSPITAL FOUNDATION TRUST

Tameside Hospital Foundation Trust outsources its portering and cleaning work but retains other services in-house, including catering.

Purchasing and commercial services manager Michael Doyle says it is a question of deciding where the benefits of private sector expertise outweigh the advantages of the personal touch of the trust.

Portering and cleaning are contracted out to the private sector to allow the trust to concentrate its time and energy on those areas it feels are most important. This obviously includes clinical services but also some softer areas that make a real difference to patients.

“The trust makes a value judgement,” he says. “Our restaurant is well thought of and the patients like to see a personal touch. It is run for the hospital by the hospital with no major branding.”

The trust does not necessarily save money on the services it outsources, but believes it gets a higher quality service for the same cost. Outsourcing also reduces the subjects the trust needs to spend time becoming expert in.

“The trust is tapping into a broader knowledge base, and using specialists that are fully abreast of best practice systems and processes. The management information we receive is superb so there is a comfort factor.”

Mr Doyle expects broader outsourcing contracts in the future as the NHS grapples to make the required efficiency savings. “We will probably look for more significant partnerships with providers and see where they can expand what they offer us.”

But he adds that the drive for efficiencies tends to put all arrangements under the spotlight. “Where we do things in-house, we are being asked whether we can outsource,” he says. “But where we already outsource, we are being asked if we could do it cheaper in-house.”

company makes its money by ensuring services are delivered in the most cost-efficient way. It can be hard to replicate this commercial imperative in the public sector.

On one contract, Interserve has taken out inefficiencies by introducing a help desk to manage FM workloads and reduce time lost waiting for jobs to come through.

As well as managing employees more efficiently, outsourcing can improve productivity by increasing staff engagement.

Matthew Custance, health director at KPMG, says estates services staff often work better for an outsource provider.

“If you are a cleaner or a steriliser than you feel much more important if you work for a company that specialises in cleaning or sterilising,” he says. “If you are part of a large trust then you can feel like a third wheel.”

Bam FM director David Leishman agrees. “I hope our staff are proud of the Bam brand, whereas the NHS is a monolithic structure,” he says. “If someone shows initiative then we have training and career progression opportunities.”

He adds that the private sector has more freedom to invest in the latest technology, and can secure better value for money by procuring in bulk across several areas.

Outsourcing also has knock-on effects, allowing trusts to focus on clinical services for the benefit of patients.

“There are financial and administrative benefits to trusts of outsourcing – less time spent on HR, sickness management and so on,” says Mr Leishman.

Challenges

So when done effectively, outsourcing can bring many advantages to a trust, but there are several barriers to be overcome first.

Ms Kitching says trusts need to get used to new ways of working, and providers need to shift the baggage of the past.

"The government would like more outsourcing but it's a huge shift," she says.

"There have been some issues with outsourcing in the past, some fractured relationships. But the market has matured. People now understand a lot more what outsourcing is about. Clients are also more intelligent about how they outsource."

Ms Kitching says trusts can be put off by the need to share internal data. "It can be a stumbling block, even though we will keep the information confidential," she says.

"We have one potential client I know I can save money for but they haven't put the numbers down so we can't get started. People become aware we need to look at data and they become nervous."

Ms Prosser says transferring staff to the private sector can be a thorny issue. Although staff's pay and conditions are protected under TUPE arrangements, there can be nervousness about job security and "equivalent" pension arrangements.

Ms Prosser says pensions present a grey area that is under constant scrutiny. With the threat of widespread strikes hanging over the public sector, many trusts are being put off outsourcing, she adds.

Ms Kitching adds: "We can come up against suspicion from staff and campaigns from unions but we have councils with unions and company procedures where people can come to talk to us."

"Trusts are worried about the unions but the private sector has as much experience negotiating with unions as the trusts."

For example, in June non clinical support service provider Sodexo became the first company in the industry to sign a National Framework Agreement with three major trade unions – Unite, Unison and GMB.

"This agreement is a significant achievement that clearly demonstrates our commitment for joint working with trade unions," says Aidan Connolly, chief executive of Sodexo UK and Ireland.

The framework defines the nature of the strategic relationship between the company and the unions, identifying guiding principles for managers, union representatives and other employees regarding the expectations they may have of each other.

Way forward

With the £20bn target in efficiency savings by 2015, and Andrew Lansley's determination to introduce market forces to the health service, an increase in estate management outsourcing seems inevitable.

"Outsourcing is not always the answer and one solution does not fit all," says Ms

'We can come up against suspicion but we have councils with unions and procedures where people can come to talk to us'

EXPERTS' VIEWS ON HOW TO OUTSOURCE EFFECTIVELY

Bam FM director David Leishman: "To structure an outsourcing contract you have to establish clearly what you want to procure. Write standard procedures and baselines."

"There is a danger of a growth in administration, as contracts that rely on checking staff add to the burden. You need trust in your supplier."

"The procurement process is important as cheapest is not always best. Financial stability is critical; if an outsourcer goes into receivership then you have a huge problem. Staff are TUPE'd over so you may be left with employees not being honoured."

EC Harris health sector partner Karen Prosser: "Make sure the right people are providing the right service; that the contract is clear on both sides from the beginning on standards and scope."

"Have a clear expectation of what you are trying to buy in each area. Draw up clear tender documents to define the standards expected and the financial penalties for not achieving them."

"We advise a lot of trusts that the NHS is a small world so take up references and make sure that what a company is saying is accurate."

Tameside Hospital Foundation Trust purchasing and commercial services manager Michael Doyle: "The company you use has to be on the money with staff engagement and have a strategy of how to get staff on board. Employees don't want to be fobbed off with a helpline on a flyer, they want one-to-one meetings about how this will affect them, TUPE arrangements and so on."

"You also have to be clear about liabilities and risk management, using clear management information. Be willing to take your share of the risk."

"Look for a company at the leading edge of what it does, and take references from other hospitals. Be very clear what you want and that the outsourcer can achieve it."

Prosser. "Very often if you procure across a large trust then it is likely to be the answer. If you are a small individual facility then you may benefit from having your own service."

The key is identifying the right services to outsource, and then ensuring the procurement process is done well. It is likely a dual system will emerge, with some very specialised, localised in-house estates management, and elsewhere increasingly broad, regionalised outsourcing.

"We are looking at whether you can procure across public sector organisations," says Ms Prosser. "Perhaps in a city it could be across schools and health."

Mr Custance adds that deals may expand across functions as well as facilities.

"We could see much more broadly based partnerships – not just soft EM but back office services. A private sector provider may subcontract certain bits out but it would have the incentive to make it work."

"You might see a trust saying it wants one private sector partner to manage its estate, its HR, its finance, its laundry and its filing. This would allow specialists to do their jobs and managers to turn their attention to clinical duties."

A KPMG study found staff in hospitals where cleaning was part of an overall PFI deal rated their hospitals as cleaner than those in hospitals where it wasn't.

"One reason for this is that if you roll it into management of the estate, your incentives to perform are much higher," says Mr Custance. It is possible that as the government looks for new methods of leveraging private finance to pay for NHS construction work, it will include a broad range of other services that need to be delivered for repayments to be made.

Mr Leishman says he has heard of trusts considering a return to such procurement.

"At East Ayrshire we do catering, cleaning and hard FM on a very small scale," he adds. "It was a new-build project 10 years ago using PFI so we have a 25-year lease to do hard and soft EM. We are paid a monthly fee and if we didn't meet standards then deductions would be made."

The health reforms will also mean changes to who the procuring clients are. Ms Kitching says outsourcers may turn their attentions to GPs as reforms kick in.

"We are speaking to various trusts about how they think things will change, and to the DH about how they would like the new health system to look."

"Some GPs are able to set up consortia, others are floundering and saying 'this is not what we do, will you help us?' Outsourcers certainly will look to help." ●

HEALTH FACILITIES RISKING A MAJOR SHOCK

Fears that public sector cuts could prevent essential improvements to electrical standards in UK hospitals, dental practices and clinics

Any delay in understanding and fulfilling the requirements of the electrical wiring regulations due to public sector spending cuts will present a genuine risk to patient safety, according to electrical testing specialists, Group Management Electrical Surveys.

New regulations introduced this summer will automatically be incorporated into all new build hospitals, surgeries, private clinics, dental practices and even veterinarian surgeries. Although not retrospective, in time the amendments will be implemented during routine upgrades and renovations of existing facilities across the UK. As a result of public sector spending cuts, however, it is feared this investment will be put on hold and it could take many years before older buildings are upgraded in line with the updated regulations, putting patient - and staff - safety at potential risk.

Steve Cressey, operations manager for Group Management, believes that this delay in implementation could risk unnecessary injuries, engender expensive law suits and even contribute to preventable deaths.

"Not only does non-compliance present a genuine risk to patient and staff safety, but it could also lead to a rise in compensation claims against institutions which do not take measures to ensure that their systems and equipment are properly installed, tested and maintained to the very latest standards.

"Although the regulations are not retrospective, it is surely a false economy not to invest in a review of all wiring in sensitive locations – this includes any area of medical treatment, not just intensive care wards, theatres and x-ray facilities - when the wiring regulations exist to protect patients, staff and the organisation as a whole. In order to understand where an institution stands, buildings across the industry will require a wholesale programme of

evaluation and testing."

Specific requirements for wiring in medical locations have, until now, featured in guidance notes annexed to the electrical industry's most important regulatory document, BS7671. However, in order to bring UK standards into line with their European counterparts, the 'medical locations' guidance has now been brought into the main body of the regulations as Section 710, making it mandatory. The amended Section 710 outlines ways to minimise the risk to patients from micro or macro voltage electric shocks, or the threat of a loss of power to vital equipment. In real terms, the burden of responsibility has now been squarely placed on the shoulders of both installers and institutions who may have to consider the introduction of new and specialist measures to avoid any potential liability.



Steve Cressey

“ NOT ONLY DOES NONCOMPLIANCE PRESENT A GENUINE RISK TO SAFETY, IT COULD ALSO LEAD TO A RISE IN COMPENSATION CLAIMS ”

While incidents of loss of power or electric shocks to patients are reasonably rare, the risk which exists should not be underestimated. Patients undergoing diagnosis or treatment are in a vulnerable position, and can be



under anaesthetic and unable to react. Infection and broken skin can also increase the severity of a reaction to a small shock, which a healthy person may withstand without further problems, not to mention the devastating impact a small surge could have on a patient undergoing major procedures such as open heart surgery. Equally, a loss of power in a theatre or intensive care ward could have quite horrific and even fatal consequences.

"Helping patients is the core function of healthcare professionals, so minimising their risk of further injury during diagnosis or treatment should be of the highest priority. A huge amount of good comes from the use of specialist equipment and more often than not it fulfils its function safely. However, without adequate underlying electrical systems, managers of medical facilities are taking unnecessary risks with patient safety. These regulations were first published in 1998 and until the introduction of BS761 Amendment 1 they were mainly ignored. It is the responsibility of each of these organisations to ensure they understand how they might be affected, and take the necessary measures to ensure compliance. Ignorance of the regulations will provide little comfort to a patient or their family following an injury or worse, we all know that

ignorance is 'no excuse in the eyes of the law'. It's time for medical institutions and organisations to step up and take a little preventative medicine of their own."

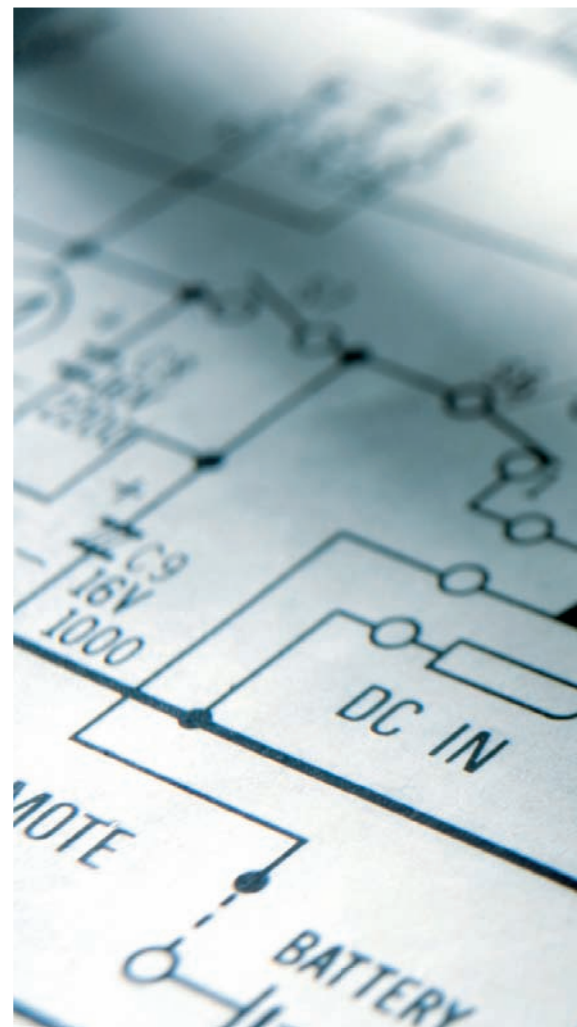
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SMARTER WAYS TO BUILD

Getting capital projects completed in this age of austerity can be seen as an impossible ask. But, writes Greg Pitcher, there are ways to get the job done



The words “building” and “project” are unlikely to be uttered at many trust board meetings this year until the coffee has cooled enough to not scald when thrown.

Last year’s comprehensive spending review outlined 17 per cent real terms cuts to health capital budgets over four years. Meanwhile the use of private finance has been hampered by the uncertainty surrounding the government deed of safeguard for PFI and the forthcoming demise of primary care trusts, which hold stakes in LIFT partnerships.

Trusts are between a rock and a hard place – or a Lansley and an Osborne – and getting work done to their estates can seem like an impossible task.

But changing patient requirements, the rocketing cost of energy inefficiency and the backlog of maintenance work mean almost all trusts desperately need to carry out capital projects.

Matthew Custance, health director at KPMG, says: “There are still plenty of hospital projects that need to get done, the big new builds as well as the rundown hospitals that need refurbishing.

“A number of trusts need to rebalance their estates as well. The health estate cannot sit still as healthcare is changing.”

So trusts are being forced to think cleverly about how they can raise the funding for critical capital projects.

A report by built asset consultancy EC Harris found the NHS could create £1bn in capital receipts and £1bn in revenue savings by selling off unused estate.

Karen Prosser, health sector partner at EC Harris, says: “The amount of unused estate in the NHS is equivalent to Sainsbury’s and Waitrose [estates in use] put together. Quite often one can look at reconfiguring it to allow some estate to be released.”

The idea is that trusts pay for the creation of modern, energy and space efficient buildings by maximising the value of land and property they will not need. This can be

sold for a simple capital receipt or developed to bring in regular revenue.

“A number of organisations are looking at building free schools,” says Ms Prosser. “Could health estate be used for that? Some areas are looking at using unused estate for affordable housing. This is not always appropriate but we need to look at a number of options.”

Trusts are often put off even considering estate rationalisation by the thought of the political opposition to closing a health facility or selling off public land.

But according to Alastair Gourlay, programme director of estate development at Guy’s and St Thomas’ Foundation Trust, London, the key is listening to what communities want and explaining clearly the benefits of the overall plan (see box opposite).

If the dangers of not finding a way to raise capital are spelled out correctly, trusts can get communities, staff and patients on side.

The next challenge is working out the best way to structure estates and get the best value out of any redundant land and property. These are not core skills for many health professionals but organisations are queuing up to help out.

From construction companies to not-for-profit bodies, there is a belief in creating the environment that brings together the public need for better buildings and the private need to build them.

Tim Byles, former chief executive of schools capital delivery body Partnerships for Schools, has set up a new venture called Cornerstone that aims to get public bodies building using the value of their estates. In talks already with several councils, Cornerstone believes it can win work in the NHS as well as several other sectors.

“Working in joint venture, we can use the value of the planning system to create a social dividend, whether it be a new school or keeping open a library. We will use

private investment, not to make aggressive returns, but to make sensible returns for investors – and local authorities can benefit.”

Cornerstone’s favoured approach sees a public body donate land or buildings for development into a public service facility as well as a commercial opportunity they can share in. Mr Byles says the key to avoiding public opposition is identifying the needs of the community.

“We need to look at what the community actually needs and what residents are asking for. Very often people need community housing near other community infrastructure so we are finding a number of opportunities for residential provision alongside service provision. Other times, retail makes a lot of sense.”

Construction and support services firm Interserve is speaking to a number of trusts about helping them rationalise their estate.

Maria Kitching, managing director of health at Interserve, says: “The first thing is to understand what the trust wants to do then to agree on a way forward. We might do two surveys, one on energy use, one on space utilisation.

“If there is a building with just three people in it, and space to move them elsewhere, we could move them over and look at the property options – could retail buy it or leisure?”

“We would work constantly in partnership and could either buy the land and work in joint venture or gain-share where everyone benefits. The trust and



CASE STUDY: GUY'S AND ST THOMAS' FOUNDATION TRUST

The team at Guy's and St Thomas' Foundation Trust is working through a long term development plan that relies heavily on estate rationalisation principles.

Alastair Gourlay, programme director of estate development at the trust, says: "We are next to London Bridge where a lot of commercial towers are planned as well as work to the station itself.

"It seemed to us there was an opportunity to benefit from high land values to help us improve the hospital without selling the family silver or burdening ourselves with debt. It is our ambition to find a way to develop the site that will bring

'It is not The X Factor. It is not the most votes wins, but we report up to the board and they make decisions'

us income to pay for the development."

As well as disposing of the outdated buildings, this involves some forward thinking.

"With the new cancer treatment centre, we are looking to maximise the building envelope so we can lease excess space to a private patients provider. That rent will help to improve our cash position."

As old buildings are moved out of, opportunities arise to make financial benefits from the site.

"We do not imagine building an office block for city lawyers but perhaps we could secure health-related uses such as research or a headquarters for a drugs company that is related to what we do."

A major challenge in achieving the plans is nervousness from the local population that the hospital is seeking to move away.

"We are always seeking to reassure people we are here to stay," he says.

"We have a council of governors and are developing skills in involving patients as well as neighbourhood forums and our own publications.

"We tell people why we are trying to raise this money and also listen. It is not The X Factor. It is not the most votes wins, but we report up to the board and they make decisions in full knowledge of the reactions we have had."

The trust has taken outside advice on its plan but ultimately enters its own processes.

"Our job is to make people well not to develop property so we try to take a low-risk option."

ourselves could be a joint venture bespoke to the client and what it is trying to achieve."

It remains unclear who will inherit the public stake in LIFT companies currently held by PCTs, and who will own the £36bn NHS estate. But the private-public teams created under LIFT retain a very real interest in helping the NHS build.

David Pokora, executive director of representative body the LIFT Council, says his members have the expertise and the relationships to help the NHS adapt to changing needs.

"There is a constantly moving target but LIFT companies can make sure that there are suitable primary and community care buildings in the right place of the right size with the right facilities to allow care to move from the hospital to the community.

"LIFT companies can play the role of expert asset managers that look across the portfolio of property in an area and examine the commissioning plans and ensure there are enough places to allow services to be moved outside of hospitals."

He says the companies would work with commissioners and providers to form a plan that allows trusts to get to where they want to be within their budgetary constraints.

"The public sector does not have the skills to get the best value from land and buildings," he says. "LIFT companies do have those skills."

Perhaps with detailed research, expert outside help and a coherent action plan, there is no need to cancel the hot drinks at the next board meeting after all. ●



PARTNERSHIP IN ACTION

When ProCure 21+ took over from its predecessor a year ago many were expecting it to falter. But it has proved a robust framework for procurement, writes Greg Pitcher

The ProCure 21+ health capital works framework has proved its doubters staggeringly wrong in its first 12 months of existence.

When it was launched in October 2010, its critics said there would be no money from the government, and trusts would seek to strike individual deals with builders to drive down prices.

But more than £600m of building work has been procured through the framework in its first year, and trusts across the country are turning to it as they adapt their estates to modern needs.

The framework allows trusts to choose from six pre-qualified contractors using a quick-fire procurement process of less than six weeks. The decision is based on factors such as compatibility, skills, experience and vision rather than cost. A guaranteed maximum price is then agreed after selection.

Lancashire Care Foundation Trust has selected Integrated Health Projects – a joint venture between Vinci and Sir Robert McAlpine – for a 154-bed new-build mental health inpatient facility in Blackpool, to be called The Harbour.

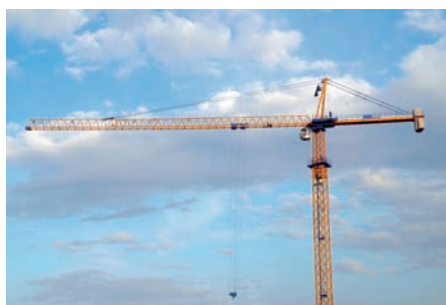
Alistair Rose, project director at the trust, says the project will allow clinical services to catch up with the times.

“Our mental health estate was made up of unloved buildings with no outdoor space and multi-storey dormitory wards.

“Reviews showed none of the accommodation we had could be adapted to do what we wanted. It was inhibiting our clinical model.”

Investment in community services has reduced the requirement for inpatient beds and allowed the trust to focus on fewer, better quality sites.

“The Harbour will have single bedroom, en suite accommodation with access to outdoor and therapy space,” says Mr Rose.



‘The builders become involved in the design so they can identify less disruptive means of construction’

The trust formed a joint venture with asset management firm Ryhurst and the partnership produced outline designs for The Harbour while working on funding and procurement options.

“We chose ProCure 21+ to procure the contractor due to the speed of getting the contract signed and the early involvement of the contractor, which allows input on the buildability of the design.

“All the bidders were very impressive, without exception. They had all put in a very good amount of effort and the bids were of high quality.”

The project was held up while commissioners ensured it complied with health secretary Andrew Lansley’s vision, but is now back on track. Final planning permission and funding discussions are taking place with a view to starting on site in the spring. East and North Hertfordshire Trust is using the framework for a series of projects under its £150m programme to

rationalise healthcare provision in the area. The trust is closing the QE2 Hospital in Welwyn Garden City, replacing it with a new smaller unit to take 65 per cent of patients, and extending Lister Hospital in Stevenage to accommodate the remaining 35 per cent.

Richard Harman, director of strategic estates at the trust, said: “There are tremendous benefits in using the framework and avoiding the OJEU process.

“We get the builders on board and they become involved in the design so they can identify less disruptive means of construction for the hospital environment.”

Works at Lister will include a new-build extension and refurbishment of the existing accident and emergency department; a new two-storey ward block and a new-build extension to a theatre block with an endoscopy suite.

“We need to demonstrate that by closing the old hospital we can reinvest revenue and capital savings in the new hospital,” he said.

“ProCure 21+ work is done on an open-book basis. Nine-tenths of the value of the work is sub-tendered but we know exactly how much profit a builder has made and if it is more than agreed then we take a share.”

Great Ormond Street Hospital for Children Trust selected Balfour Beatty for a programme of works worth £14m as part of a long term redevelopment of the hospital.

“ProCure 21+ has been a very useful vehicle,” says Graham Mills, deputy director of estates at the trust. “We have been able to procure schemes very quickly through it.

“We have to train contractors into our way of working but we have quarterly workshops and get the arm wrestling out of the way during the guaranteed maximum price process. Then you find the project meets time and quality measures.

“We will continue to use the framework over the next three to four years, without a doubt.” ●

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