HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (COMMUNITIES AND ENVIRONMENT) held in Civic Suite 0.1A and 0.1B, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Wednesday, 12th October 2016.

PRESENT: Councillor T D Alban – Chairman.

Councillors Mrs A Dickinson, Mrs A Donaldson, T Hayward, Mrs P A Jordan, P Kadewere, L R Swain and Mrs J Tavener.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors B S Chapman, J W Davies, D A Giles and D Harty.

IN ATTENDANCE: Councillors R B Howe and J M Palmer.

39. MEMBERS' INTERESTS

Councillor T Alban declared a non-pecuniary interest in relation to Minute Numbers 40 and 41 as an employee of a company that engages in commercial activities with Peterborough Hospital as well as with Addenbrookes Hospital.

Councillor Mrs P A Jordan declared a non-pecuniary interest in relation to Minute Numbers 40 and 41 as an employee of Cambridgeshire Community Service based at Hinchingbrooke Hospital.

40. CAMBRIDGESHIRE AND PETERBOROUGH CLINICAL COMMISSIONING GROUP (CCG)

Tracy Dowling presented the Clinical Commissioning Group (CCG) Performance Report to the Panel. Members noted that the governance of the CCG altered in January 2016 when Dr Modha stepped down from the role of Accountable Officer and steps have been taken to strengthen the governance arrangements. Tracey Dowling has been appointed as the Accountable Officer (known as Chief Officer) and Doctor Howsam is now the Chief Clinical Officer and the Chair of the Governing Body.

The CCG have had a difficult year as a result of the collapse of the UnitingCare contract. In addition some performance targets have not been met.

A number of organisational changes have been made to assist the financial position of the CCG as the group have an underlying deficit position. The main cause of the deficit is the amount and cost of work currently undertaken by the hospitals. Despite the financial position standards are being met. NHS England are working closely with the CCG to turnaround the financial position.

Members noted that the sustainability and transformation plan (STP) is in development which focuses on improving the clinical outcomes for patients but also addressing the system wide financial deficit over the next 5 years. The first draft of the STP was submitted to NHS England on 30th June and the next draft is due to be submitted on 22nd October. Mr David Astley has been appointed as the Independent Chair for the Cambridgeshire and Peterborough STP. Tracey Dowling has offered to return to the Panel and discuss the STP in more detail once it has been finalised.

The CCG has stated that it wants patients to be taken care of at home as opposed to being taken care of in hospital as there is evidence to suggest that being in a hospital bed has a negative impact on rehabilitation. The current delivery of rehabilitation for patients who have had stroke is currently not best practice so different models of care and rehabilitation for stroke patients are being considered.

The Panel were informed that the CCG is undertaking public engagement on how to make the minor injury and outpatient services in East Cambridgeshire and Fenland more sustainable and improve integration with other health care providers.

Tracey Dowling informed Members that regarding the Older People's and Adult Community Services (OPACS) the CCG is confident that the model of care in place remains the best solution for patients.

In respect to Non-Emergency Patient Transport Services (NEPTS) Members were informed that the service is not yet functioning at the standard expected but 'teething problems' are being addressed.

Following a question it was confirmed that QIPP means Quality, Innovation, Productivity and Prevention.

In response to a question regarding the NEPTS, Members were informed that GPs are referring patients to the service and the information is being advertised on the CCG's website. The East of England Ambulance Service then checks the eligibility of patients.

After a question about the management of Hinchingbrooke Hospital, Tracy Dowling stated that Hinchingbrooke is under good management and the CCG works closely with the management of Hinchingbrooke as both parties want what is best for patients. She informed Members that the staff at Hinchingbrooke delivers good clinical care every day.

In response to a question Ms Dowling explained that the CCG was declared inadequate by the CQC due to the financial position of the CCG. Part of the problem is that the CCG pay £200m per year for medicines that patients never use.

41. HINCHINGBROOKE AND PETERBOROUGH HOSPITALS MERGER

The Panel received a presentation from Lance McCarthy, Chief Executive Officer at Hinchingbrooke Healthcare NHS Trust (HHCT) on the Full Business Case for the merger of HHCT with Peterborough and Stamford Hospitals NHS Foundation Trust (PSHFT). This

included details of HHCT's plan for Clinical Service Provision, presented by Dr Melanie Clements, Medical Director at HHCT.

Members were informed of the background to the Full Business Case and the proposal of merger including: HHCT is neither clinically nor financially sustainable in its current form; PSHFT is clinically and operationally sustainable but not financially sustainable and Cambridgeshire and Peterborough is one of the most financially challenged health systems in the country.

The Panel were reminded that the Outline Business Case that was approved at the Trusts' Board meetings in May 2016 outlined clear clinical and financial benefits for the Trusts working as one organisation. In regards to HHCT a merged organisation would ensure that clinical services are sustained at the Hinchingbrooke site.

Following a series of public engagement events over the summer the Trusts developed the Full Business Case and approved it at their Board meetings in September 2016. There will now be more public engagement events before the Full Business Case is ratified by the Trusts' Boards at their meetings in November 2016. After this, the Full Business Case will be forwarded onto the NHS regulator who will make its recommendation to the Secretary of State for final approval in March 2017. The merger would then take place on 1st April 2017.

Dr Melanie Clements, Medical Director at HHCT, presented the Trust's plan for Clinical Service Provision at Hinchingbrooke hospital. The Panel were informed that the hospital is not clinically sustainable in its current form. As an example of this, Members were told that 20 of the 90 consultant staff at Hinchingbrooke are locums.

A merged Trust would cover a larger population, requiring a larger team of consultant staff. This would make consultant positions more attractive for applicants as a larger team would mean a reduction in the amount of unsociable hours a consultant would have to work. Dr Clements explained that this would reduce the need for locums, cutting costs as employing locums is not the best use of money.

It was explained that not all clinical services are currently provided at Hinchingbrooke. For example, trauma (level 2 and 3) patients are taken to Addenbrookes Hospital. However Dr Clements explained that there is a desire for both Trusts to continue to provide emergency services on the Hinchingbrooke site after the merger.

The Panel were informed that one of the reasons why a merged Trust is preferable to an arrangement of sharing consultants is that with a shared working arrangement the other hospital could pull back doctors to cover their own staff shortages.

Members were informed that the following services have been identified for integration first as they face the greatest sustainability risk: stroke, emergency department, diagnostic imaging, cardiology, respiratory medicine and clinical haematology.

Dr Clements explained the wider benefits of clinical integrations including: both Trusts working together to meet the seven day standards; the formalisation and expansion of training clinical

rotations; assisting staff on all sites to learn from best practice to improve services and increasing resilience to meet standards for rapid access to services.

Clinical integration is already being progressed, with a joint Haematology consultant appointed in mid-September already increasing cover at Hinchingbrooke. The Panel were informed that chemotherapy services for young adults at Hinchingbrooke would benefit from the merger due to PSHFT having accreditation which Hinchingbrooke does not.

Mr McCarthy informed Members of the financial case for merger. The merger will not solve all financial problems however the merger will save £9m per annum. There will be on-off transition costs of £13m. A merged Trust would expect to have a positive contribution delivered from year three with the opportunity for further future savings. Following a question regarding the transition costs Mr McCarthy explained that a significant proportion of the cost would be for new IT systems so that data could be accessed at all sites.

The Panel heard the benefits and risks of the merger outlined to them before Mr McCarthy explained the next steps for the Full Business Case which include submission of the Full Business Case to the regulator, further engagement with staff and public, ratification by the Trusts' Boards and merger on 1st April 2017.

Members were informed that as the merger would be an acquisition of Hinchingbrooke by Peterborough the governance arrangements would be a foundation trust governance arrangement. This means that there will be a Council of Governors comprised of appointed governors from partner organisations, 17 public governors and 7 staff governors.

The 17 public governors are to have the following number of representatives from each site Hinchingbrooke 6, Peterborough 6 and Stamford 5. The 7 staff governors are to have the following number of representatives from each site Hinchingbrooke 3, Peterborough 3 and Stamford 1.

Mr McCarthy reassured the Panel that there are no plans or proposals to expect patients in Huntingdonshire to travel to Peterborough or Stamford and that whilst the local Board would be abolished the area would have a greater say on the Council of Governors.

Members were reassured that the number of redundancies as a result of the merger would be kept to a minimum and that all staff will be properly supported throughout any process to integrate the hospitals. In addition PFI costs at Peterborough hospital do not and will not impact upon patient care across any of the three hospitals.

<u>Questions from Members and public participants</u>

In response to a question regarding care in the home and the shortage of staff, Ms Dowling informed Members that having the right workforce in place is a challenge however by changing the skill mix the CCG are confident of delivering the work. The training of GPs is

important as there are a significant number due to retire.
The Panel noted that through the merger Hinchingbrooke would have access to more medical professionals and some doctors have already expressed an interest in working at Hinchingbrooke.

Mr McCarthy was asked why it took two months for Mr Burns, Chairman at HHCT, to respond to a letter sent on behalf of the Panel. Mr McCarthy did not know the reason for the delay however he did apologise for the delay.

In response to a question regarding income from the Health Campus, Members were informed that there are still plans for the Health Campus to go ahead and it is expected to produce an income of income of £5-£7m per year for the merged Trust Board.

After a question regarding alternative options, the Panel was informed that there is no 'Plan B'. The Trusts had previously reviewed all the options and a merger is considered the best option to offer clinical and financial stability. Mr McCarthy reminded Members that doing nothing is not an option as services are currently not sustainable. The CCG has also confirmed its support of the merger.

Following a question regarding the provision of emergency services, Mr McCarthy assured Members that emergency services will continue to be delivered at Hinchingbrooke. However after being pressed for a guarantee, Mr McCarthy confirmed that a guarantee could not be given as health services are changing nationally and due to the impact of future demographic changes locally.

In response to a question on how much the last public engagement shaped the Full Business Case, Mr McCarthy explained that the terminology used has become clearer. For example, the Full Business Case refers to acquisition rather than just a merger. The Trusts a have arranged 12 meetings across the area including meetings in Huntingdon, St Ives and St Neots.

Following a request Mr McCarthy explained that of the £13m merger cost £8m is IT integration costs, £3.5m is staff resource and £2.5m is allocated towards redundancy costs. The £9m savings per year is phased to start from when the Trusts merge and once the Trusts are merged the merged Trust will control the finances.

A Member asked about the current deficits at HHCT and PSHFT. The Panel was told that HHCT has disproportionally high costs as smaller hospital still needing to run a full back office team (e.g. HR/IT). PSHFT has ongoing overspend problems some of which will be resolved through the merger.

Mr McCarthy explained that the representative on the Council of Governors is proportional to the population of the area. The Hinchingbrooke are serves 193,000 people and Peterborough and South Lincolnshire serve 570,000 people. Despite Mr McCarthy's explanation, Members were concerned that the 'North' could outvote the 'South'.

Following a question regarding the benefit to Huntingdonshire of investment in minor injury and outpatient services units in Fenland

and East Cambridgeshire, the Panel were told that investment in these units could alleviate pressure at accident and emergency at Hinchingbrooke.

A public participation session followed the Members' questioning of the representatives from HHCT and the CCG. The first public participant explained that Huntingdonshire is facing a significant increase in its population and asked how a merged Trust would cope with this. Mr McCarthy explained that part of the reason why the Trusts want to merge is so that services can be sustained at Hinchingbrooke to support this increase in population.

The second public participant stated that they thought it looked a complex and difficult merger and asked why was PSHFT bidding to run outpatient services at Doddington and Ely instead of concentrating on the merger. It was explained that no decision has yet been made on those units and at the moment those services are run by Hinchingbrooke. The contract won't be signed before September 2017.

The third public participant spoke about research on NHS Hospital mergers and quoted studies that have stated that mergers don't work. They added that the merger is a big risk and believes it to be reckless that there is no 'Plan B'. Mr McCarthy replied that mergers are risky however the Trusts are mitigating those risks by speaking with the Chief Executives of merged organisations that are deemed to be successful and those that are less successful so the Trusts can learn from past experiences.

The fourth public participant told the Panel that when Mr McCarthy arrived he stated that it was his intention to make Hinchingbrooke one of the top 10 hospitals in the country but he immediately started working with PSHFT on a merger. In their view the 'Plan B' option would be the closure of Hinchingbrooke. Mr McCarthy replied that Hinchingbrooke still aims to become one of the top 10 hospitals in the country however to do that the Trusts must merge in order to sustain services at Hinchingbrooke.

The fifth public participant advised that the merger should be treated with extreme caution and referenced a report from 2012 which outlined the shortfalls at PSHFT. Mr McCarthy explained that PSHFT has had some challenging times but the Trust is in a better position now than four years ago.

The sixth public participant explained that he believed unsustainable is a business term rather than a clinical term and considered the term overspend to be a manipulative use of words. He urged Members to speak about the Sustainability and Transformation Plan (STP). Ms Dowling explained that the STP is still being developed and sets out a plan rather than making decisions. Decisions on significant changes to healthcare delivery would be made following public consultation.

The seventh public participant stated that it was disappointing to see the former Medical Director at HHCT replaced with someone from outside the area as this now means there are five people from outside the area on the Board. In response, Dr Clements explained that her predecessor retired and Chief Executives and Medical Directors are

increasingly appointed from outside to bring in experience from elsewhere.

A follow up question was asked about when the STP can be shared. In response, Members were told that the STP will be shared after 22nd October 2016 so long as the plan is signed off by the regulator.

As a final question, Members asked again about a 'Plan B' to which Mr McCarthy stated that the Trusts have previously considered and reviewed other options and the merger has come out as the best option.

(*At 9.47pm, having answered questions raised, Mr McCarthy, Dr Clements and Ms Dowling left the meeting.*)

Panel deliberations and conclusions

In deliberating, the Chairman expressed concern that the Trusts had not considered a fall-back position or 'Plan B' and that there is no contingency if the merger goes wrong. However, another Member commented that any 'Plan B' would have to be sensible and achievable.

A Member expressed concern about studies finding that 46% of the mergers don't work and considered that the risk to all three hospitals was huge and too big a decision to be based on vague conversations and minimal evidence.

In response to a question in regards to what Cambridgeshire County Council have to say, the Panel were informed that Councillor A Dickinson would be attending a Joint Scrutiny Meetings by Cambridgeshire County Council and Peterborough City Council as a co-opted Member on 17th October and 9th November. Members noted that as a co-opted Member Councillor Dickinson would have no voting rights.

The Panel noted that the number of potential redundancies, 140, has doubled since Mr McCarthy last attended a meeting of the Panel.

Members stated that it appears to them that the Trusts have come up with a solution and then made the Full Business Case fit the solution.

The Panel found it staggering that the Trusts are allowed to go into further debt to pay for the cost of transitioning to a merged Trust.

On a positive note the Panel, congratulated HHCT being rated as 'good' by the Care Quality Commission. They would like the Trust to ensure that the goodwill of staff is not taken advantage of.

In response to the information that was presented by the CCG, the Members are keen to see minor injury and outpatient services in Fenland and East Cambridgeshire thrive if this will take pressure off accident and emergency services at Hinchingbrooke hospital.

The Panel are concerned that the CCG's plans, whilst optimistic are based on unrealistic assumptions of their ability to recruit and train staff to deliver more care in the community.

The Panel considered the evidence they received and reached the following conclusions on the Full Business Case for the merger of HHCT and PSHFT:

1) Members are disappointed that there was no reply or even acknowledgement of receipt of the letter the Panel had sent following the first Special Meeting until the day before the second Special Meeting.

2) The Panel recognises that the Trusts have taken on board the Panel's previous concerns regarding public engagement but remains concerned that the pace of the public engagement still does not allow the public to be fully engaged and consulted.

3) The Panel is concerned that there is no consideration of a possible failure of the merger and suggests that there should be a 'Plan B'. It was noted that a significant proportion of mergers elsewhere have failed and the Panel has doubts about the assumptions made on the ability of a merged trust to recruit more staff to work on the Hinchingbrooke site.

4) The Panel remains concerned about a 'democratic deficit'. A merged Council of Governors would see the 'North' (Peterborough and Stamford) have a combined representation of 11 public members and 4 staff members compared with 6 public members and 3 staff members for Huntingdonshire. Members feared that the 'North' would be able to outvote Huntingdonshire and therefore decisions could favour Peterborough and Stamford hospitals.

5) The Panel is keen that the Trust continues to involve the Council in the development of the Health Campus.

6) The Panel welcomes the recent "Good" rating awarded to Hinchingbrooke Hospital by the CQC and acknowledges the work undertaken by the staff to achieve this.

The Panel resolved to ask the Cabinet to consider the points above and include them in a response to the Trusts. Furthermore the Panel would like the Cabinet to forward the response onto the NHS regulator and the District's two Members of Parliament.

(*At 7.52pm, during the consideration of this item, Councillor P A Jordan entered the room.*)

(*At 9.47pm, during the consideration of this item, Councillors A Dickinson, R B Howe and J M Palmer left the room.*)

(*At 9.49pm, during the consideration of this item, Councillor A Dickinson entered the room.*)

(*At 10.04pm, during the consideration of this item, Councillor P A Jordan left the room.*)

Chairman