

## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (COMMUNITIES AND ENVIRONMENT) held in Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Tuesday, 28th June 2016.

PRESENT: Councillor T D Alban – Chairman.

Councillors J W Davies, Mrs A Dickinson, Mrs A Donaldson, M Francis, D Harty, T Hayward, Mrs P A Jordan, P Kadewere, L R Swain and Mrs J Tavener.

IN ATTENDANCE: Councillors K M Baker, Mrs S J Conboy, R Fuller, D A Giles, Mrs S A Giles, J P Morris, J M Palmer and R J West.

### 12. MEMBERS' INTERESTS

Councillor T Alban declared a non-pecuniary interest in relation to Minute Number 13 as an employee of a company that engage in commercial activities with Hinchingsbrooke Hospital.

Councillor Mrs P A Jordan declared a non-pecuniary interest in relation to Minute Number 13 as an employee of Cambridgeshire Community Service based at Hinchingsbrooke Hospital.

### 13. POTENTIAL HOSPITAL MERGER

The Chairman welcomed the Chief Executive Officer of Hinchingsbrooke Health Care NHS Trust, Lance McCarthy, and the Chairman of Healthwatch Cambridgeshire, Val Moore, to the meeting and for agreeing to take part in a public question and answer session.

Lance McCarthy gave a presentation to the Panel. The key points were as follows:

- Hinchingsbrooke is not sustainable in its current form either clinically or financially.
- The hospital has many positives including low mortality rates, low infection rates and good patient experiences.
- Mr McCarthy advised the Panel that modern medicine is becoming more complex and, in order to provide the best care and maximum safety, clinicians are specialising more and need to work in larger teams.
- The Panel noted that Hinchingsbrooke struggles to recruit staff with the right expertise to a number of roles and this leaves some acute services with unacceptable deficiencies.
- Mr McCarthy informed the Panel that Hinchingsbrooke won't be able to maintain a full range of safe services on its own and that the focus of conversations with Peterborough and Stamford Hospitals NHS Foundation Trust (PSHFT) has been on how to sustain services, safely and locally on all sites.
- Members were reassured by Mr McCarthy that discussions are not about moving services and patients would not be

expected to travel to a different hospital to receive treatment. Instead the expectation is that specialists will move between sites in order to provide the services.

- Hinchingsbrooke has a deficit of approx. £17m with a turnover of around £115m. Hinchingsbrooke has the largest percentage deficit in the country at 15.2%.
- Mr McCarthy informed Members that through collaboration with PSHFT the hospitals are forecast to generate savings of £9m per year, of which £4m would relate to Hinchingsbrooke.
- Current collaboration work includes working on improving the ophthalmology service. Mr McCarthy stated that both hospitals have good services but the services sub-specialise in different areas. Through collaboration a greater range of services can be offered to patients.
- The Panel were informed that both Trust Boards have appraised and scored four options and option four of merger emerged as the preferred option. The Boards will now develop a full business case (FBC) and this would detail the full benefits of the merger before the Boards decide to proceed.
- Members were informed that separate system wide transformation work would link into the development of the FBC by the end of July 2016. Following that the FBC would be considered by both Boards at the end of September 2016. If the FBC was agreed then there would be further staff and public engagement which may then be followed by changes to the FBC. A final decision would be taken by both Boards by the end of November 2016. This would be proposed to the NHS regulator and if they give approval the Trusts would merge on 1st April 2017.

In seeking clarification of the points raised a Member asked for further detail on sustainability of services would be improved if they weren't relocated. In response Mr McCarthy gave the example of the haematology service. The Peterborough City Hospital has six specialists and Hinchingsbrooke has one so rather than have a general service both hospitals would be able to offer a full service from a pool of seven specialists.

Mr McCarthy reassured Members' concerns over the accident and emergency service by stating that the service would remain at Hinchingsbrooke as 45,000 people use the service annually. The Panel were informed the service would be supported by accessing the pool of emergency department consultants at Peterborough.

The Chairman of Healthwatch Cambridgeshire, Val Moore addressed the Panel. Healthwatch promotes the patient's interests and supports all the stakeholders in health sector. Patients have had good experiences of care at Hinchingsbrooke although there has been some disappointment regarding waiting times. She added that patients want integrated care and to know that their hospital is there for them.

Members were informed that Healthwatch had heard what Mr McCarthy had said but not heard a lot about the impact upon patients. Healthwatch wanted to know how local people would be involved with the Trust Board if a merger does materialise and would like information to be broken down locally so that people can access performance information in regards to services at Hinchingsbrooke.

Members of the public were invited by the Chairman to ask questions about the proposed merger of Hinchingsbrooke Health Care Trust with PSHFT. Mr McCarthy was asked why there hasn't been any public consultation about what is going to happen. In response Mr McCarthy stated that nothing has been agreed apart from the decision to develop a FBC. Both Trust Boards are committed to engaging with the public and the merger is not a foregone conclusion.

In response to a question on the wisdom of merging with a hospital that is heavily in debt through the private finance initiative (PFI), Mr McCarthy stated that Hinchingsbrooke had clinical sustainability concerns as well as financial concerns. The FBC will outline the savings that would result from a merger but the merger will not solve all the financial problems.

Mr McCarthy explained that, as outlined in the FBC, under the legal framework a merger could only be an acquisition of Hinchingsbrooke by Peterborough and the merged Trust must be a Foundation Trust. Currently only one non-executive director of the Hinchingsbrooke Board is from the area due to the need to establish the Board quickly in March 2015 following the departure of Circle. A merged Trust would have representation proportional to each area's population.

In response to a question regarding the cost of preparing the FBC and how much was spent on consultants, Mr McCarthy stated that all the work was done internally.

A Member of the Panel stated that they were concerned for staff and the pressure they were being put under. There was particular concern that the '*in your shoes, in our shoes*' staff sessions are being used to identify savings. The Panel was informed that there is not a cynical angle to '*in your shoes, in our shoes*' sessions and that the only reason they are carried out is for good staff engagement.

When asked about redundancies, Mr McCarthy stated that there would be up to 70 roles across both organisations that would no longer be needed as a result of the merger and that 11 of those would be related to Board members. Mr McCarthy explained that the turnover of staff between the two hospitals already stands at around 70 per week so this should help absorb job losses, allowing redundancies to be minimised.

A concern was raised about the language used and in particular the use of the terms merger and collaboration when in fact that under the NHS rules it would be an acquisition. Mr McCarthy recognised that further work is required to address miscommunication with the public.

In response to a request that the public be given reassurance that a merged Trust wouldn't start asset stripping from Hinchingsbrooke if the FBC didn't deliver expected savings, Mr McCarthy stated that the new Board would have responsibility for providing health care for all residents and would need to provide services at Hinchingsbrooke.

Following a question on how the Trust Board would consult with the public considering that an acquisition does not require a full three month public consultation, Mr McCarthy stated that a public

consultation exercise will be run but that the Boards have not yet agreed on what form that will take.

In response to a question on how many back office staff would be made redundant Mr McCarthy stated that this would be detailed in the FBC but that the likelihood that individuals would be affected apart from Board members would be low.

When asked if a surplus could be achieved without the merger, Mr McCarthy stated that the savings would not need to be done through a merger but that £4m is required through some form of collaboration.

When asked what he would be learning from the meeting, Mr McCarthy stated that he had learnt that there is a need for the Boards to better articulate what they are planning to do. Mr McCarthy confirmed that he would return to a future Panel meeting when the FBC had been formulated.

After the public participation session the Panel discussed what they had heard and came to the following conclusions:

- 1) Members were concerned that the timetable for developing the FBC and undertaking the merger was too short and that the Boards may be trying to do too much too soon.
- 2) It came to light that the current Board only includes one member living within the hospital's general catchment area. Members were concerned that this has resulted in a 'democratic deficit'.
- 3) Although Mr McCarthy offered Members reassurance that the arrangement would be a collaboration, Members remained concerned that a legal acquisition could result in Hinchingsbrooke being treated as the 'poor relation'.
- 4) The Panel was concerned to hear that the Trust Boards had not considered how they would like to engage with the public.
- 5) Members were concerned about the possibility of redundancies and wanted greater clarity about the impact of redundancies on members of staff.
- 6) The Panel was heartened to hear from Mr McCarthy that the focus of Hinchingsbrooke's work with PSHFT is ensuring the financial and clinical sustainability of safe, local healthcare services and that there is no intention of existing services provided at the Hinchingsbrooke site being moved to other locations or patients being required to travel elsewhere to receive care.

Following the conclusions the Panel,

**RESOLVED**

to agree that a response to the proposed merger of the Trusts running Hinchingsbrooke and Peterborough and Stamford Hospitals be drafted for the Panel to review at its next

meeting.

*(At 9.14pm, during the consideration of this item, Councillor Mrs P A Jordan left the meeting and did not return).*

*(At 9.21pm, during the consideration of this item, Councillor T Hayward left the meeting).*

*(At 9.23pm, during the consideration of this item, Councillor T Hayward returned to the meeting).*

*(At 9.34pm, during the consideration of this item, Councillor A Dickinson left the meeting).*

*(At 9.36pm, during the consideration of this item, Councillor A Dickinson returned to the meeting).*

*(At 10.06pm, during the consideration of this item, Councillor A Dickinson left the meeting).*

*(At 10.09pm, during the consideration of this item, Councillor A Dickinson returned to the meeting).*

Chairman