

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter:	Full Business Case for the Merger of the Trusts Running Hinchingsbrooke and Peterborough and Stamford Hospitals
Meeting/Date:	Special Meeting of the Overview and Scrutiny Panel (Communities and Environment) – 12th October 2016 Cabinet – 20th October 2016
Executive Portfolio:	Councillor J M Palmer (Executive Councillor for Leisure and Health)
Report by:	Democratic Services Officer (Scrutiny)
Wards affected:	All

Executive Summary:

This report summarises the Full Business Case for the merger of the Trusts running Hinchingsbrooke, Peterborough and Stamford Hospitals. The Full Business Case for merger implementation on 1st April 2017 was approved by both Trust Boards in September 2016, subject to the output of further staff and public engagement and an independent review. This followed a series of public engagement events organised by the Trusts and hosted throughout the hospitals' catchment areas.

Recommendations:

The Cabinet is asked consider the comments on the Full Business Case from the Overview and Scrutiny Panel and confirm if a response to the Trusts' proposal is appropriate and necessary.

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this paper is to provide Members with a summary of the Full Business Case for the merger (acquisition) of Hinchingsbrooke Health Care NHS Trust with (by) Peterborough and Stamford Hospitals Foundation Trust and provide a link to the documents provided by the Trusts.

2. BACKGROUND

- 2.1 Mr McCarthy, Chief Executive Officer of HHCT, attended a Special Meeting of Overview and Scrutiny Panel (Communities and Environment) on 28th June 2016 to explain to Members the proposals contained within the Outline Business Case. The Outline Business Case emphasised the need for HHCT and PSHFT to develop a Full Business Case outlining the clinical and financial benefits of merging.
- 2.2 As a result of Mr McCarthy's presentation, the Panel submitted a response to the Chairman of the HHCT outlining the concerns of Members.
- 2.3 Both Trust Boards, at meetings in September 2016, approved the Full Business Case and are now committed to a series of public engagement events across the hospitals' catchment areas.

3. FULL BUSINESS CASE SUMMARY

- 3.1 Hinchingsbrooke Health Care Trust's sustainability concerns have been considered by its Board in conjunction with representatives of Peterborough and Stamford Hospitals Foundation Trust. HHCT concluded that merger with (acquisition by) PSHFT would provide the quality and scope of services locally for the residents of Huntingdonshire on the Hinchingsbrooke site.
- 3.2 HHCT believes that the Full Business Case determined that merger (acquisition) will not only support the ongoing provision of services locally at Hinchingsbrooke but will improve the care that both organisations provide and will also enable significant financial benefits to be achieved through the integration of back office functions.
- 3.3 Other options considered but discounted were:

Option 1	Do Nothing
Option 2	Share back office functions only
Option 3	Two Boards but share one executive team, one operational organisation plus back office functions.

- 3.4 The Trusts recognised that the merger of clinical services within one organisation should help address issues of present or future sustainability. The further work undertaken by the Trusts suggests that this will materially improve issues of clinical sustainability.
- 3.5 Some issues raised through staff and public engagement in developing the Full Business Case are:
1. Loss of a local Board at Hinchingsbrooke;
 2. Concern about the potential movement of services and patients between sites;

3. The financial position of a new organisation and any impact from the PSHFT PFI on the future viability of services at any of the sites as a result;
4. Concerns from the workforce about jobs and process, and;
5. Engagement with the public.

3.6 The Trusts are committed to a series of public engagement events throughout October 2016 with issues raised, which are not already adequately answered by the Full Business Case, being included in the final version in November for ratification by both Boards.

4. COMMENTS OF OVERVIEW & SCRUTINY

4.1 The agenda for the Cabinet meeting was published prior to the Overview and Scrutiny Panel (Communities and Environment) meeting and comments from the Panel will be circulated subsequently to the Cabinet.

5. LINK TO THE CORPORATE PLAN

5.1 The Council has a Strategic Priority of “Enabling Communities” and is committed to supporting people to improve their health and well-being. The Council has a role in scrutinising proposed changes to local health care.

6. REASONS FOR THE RECOMMENDED DECISIONS

6.1 Since the emergence of the Outline Business Plan which stated the intention of the Trusts to merge into one organisation, the Overview and Scrutiny Panel (Communities and Environment) has taken an interest on behalf of the District's residents to ensure that clinical services continue to be provided on the Hinchingsbrooke site.

6.2 With the approval of the Full Business Case by both Trust Boards it is important that the Council continues to consider the impact a merger would have upon the residents of Huntingdonshire.

7. HHCT-PSHFT MERGER PAPERS

[Hinchingsbrooke Health Care NHS Trust Chief Executive Officer's Cover Paper](http://www.hinchingbrooke.nhs.uk/wp-content/uploads/2016/09/FBC-HHCT-CEOs-cover-paper.pdf)
(<http://www.hinchingbrooke.nhs.uk/wp-content/uploads/2016/09/FBC-HHCT-CEOs-cover-paper.pdf>)

[Peterborough and Stamford Hospitals Foundation Trust Chief Executive Officer's Cover Paper](http://www.hinchingbrooke.nhs.uk/wp-content/uploads/2016/09/FBC-PSHFT-CEOs-cover-paper.pdf)
(<http://www.hinchingbrooke.nhs.uk/wp-content/uploads/2016/09/FBC-PSHFT-CEOs-cover-paper.pdf>)

[Full Business Case](http://www.hinchingbrooke.nhs.uk/wp-content/uploads/2016/09/FBC-final-for-approval_20160922.pdf)
(http://www.hinchingbrooke.nhs.uk/wp-content/uploads/2016/09/FBC-final-for-approval_20160922.pdf)

[Full Business Case Appendices](http://www.hinchingbrooke.nhs.uk/wp-content/uploads/2016/09/Appendices-v1.4-updated.pdf)
(<http://www.hinchingbrooke.nhs.uk/wp-content/uploads/2016/09/Appendices-v1.4-updated.pdf>)

[Personal Administration Consulting Report](http://www.hinchingbrooke.nhs.uk/wp-content/uploads/2016/09/1-PSHFT-HHCT-FBC-PA-report-1.0-FINAL-.pdf)
(<http://www.hinchingbrooke.nhs.uk/wp-content/uploads/2016/09/1-PSHFT-HHCT-FBC-PA-report-1.0-FINAL-.pdf>)

[KPMG Baselines Report](#)

(<http://www.hinchingbrooke.nhs.uk/wp-content/uploads/2016/09/2-KPMG-LTFM-Baselines-Report.pdf>)

[KPMG Long Term Financial Models Report](#)

(<http://www.hinchingbrooke.nhs.uk/wp-content/uploads/2016/09/3-KPMG-Transaction-LTFM-Report.pdf>)

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