NHS
Calderdale
Clinical Commissioning Group

Agenda Item 4 (a)

Report To:	**20 January, 2016**

Title of Report:	**Right Care, Right Time, Right Place: Readiness for Consultation**

FOI Exemption Category:	**Open**

Responsible Officer:	Matt Walsh, Chief Officer

CCG Leads:	Dr Alan Brook

Report Author and Job Title:	Jen Mulcahy, Programme Manager RCRTRP

Executive Summary:	▪ The Governing Bodies of Calderdale CCG and Greater Huddersfield CCG met in public in September 2015 to determine their readiness to move to consultation on proposals to change the shape of hospital services in order to improve the quality, sustainability and safety of those services for the future. ▪ The governing bodies determined at that point that there were some critical pieces of work that were required before they could deem themselves ready to move into the consultation phase. ▪ The purpose of this paper is to remind the Governing Bodies of those pieces of work, to demonstrate the process that has been applied in order to address those gaps and to describe the governance that has been applied. ▪ The governing bodies are reminded that their commitment has been that we would move to consultation only when we could describe: ▪ The Clinical Model ▪ The financial implications of that model ▪ The location of services
Finance/Resource Implications:	There are significant financial implications associated with the proposals. These will be outlined in the Pre Consultation Business Case.

Risk Assessment:	**R549**: There is a risk that we do not deliver coordinated change across hospital and community services at sufficient pace and scale, due to the Right Care, Right Time, Right Place Programme not delivering and / or issues with the availability of capital funding, resulting in poor services being established/ maintained and financial benefits not being realised.
Legal Implications:	There are significant legal implications bound up in the decision to move to consultation, including but not limited to the possibility of referral to Secretary of State or into Judicial Review.
Health Benefits:	1. Improve Health Outcomes 2. Improve Service User Experience
Staffing/Workforce Implications:	There are significant workforce implications associated with the proposals. These will be outlined in the Pre Consultation Business Case.
Outcome of Equality Impact Assessment:	We have completed an Equality Impact Assessment in relation to our proposals and this will be included in the Pre-Consultation Business Case.
Recommendation (s):	The Governing Body is asked: 1. To agree that we have completed the work to set out: the proposed future model of care; the financial implications; and the preferred location of services. 2. To note that the publication date for the Pre-Consultation Business Case is 15th January, 2016. 3. To note that the view from both CCGs is that we are confident that we will be in a position to submit sufficient evidence to satisfy the requirements of the NHS England assurance process 4. To note that at the time of writing, we still need to secure final approval from NHS England. 5. To agree that we are ready to proceed to consultation and to agree a timescale for that.

1.0 Purpose of the Report

This report provides the Governing Body with an update on progress in relation to our proposals for changes to hospital services in Calderdale and Greater Huddersfield. Specifically, it provides an understanding of:

1) The work we have completed to enable us to set out: the proposed future model of care; the financial implications; and the preferred location of services;
2) Our progress in relation to the NHS England assurance process.

The report sets out the timescale for publication of the Pre-Consultation Business Case and makes recommendations to Governing Body in relation to readiness for consultation.

2.0 Background

The CCGs are single minded in their determination to drive forward with changes which will improve the quality, safety and sustainability of health services on behalf of our population, but we know that doing that in a way which commands the engagement, participation and understanding of our population is vital if we are to be successful. The Right Care, Right Time, Right Place programme is the commissioners' response to the case for change that was developed as part of the Strategic Services Review undertaken in 2013. From this case for change and the feedback from our engagement, we know that significant changes are required in order to ensure health and social care services are fit for the future. There are three interlinked pieces of work: Calderdale Care Closer to Home Programme; Kirklees Care Closer to Home Programme; and the Hospital Services Programme. Collectively, these programmes are developing proposals for what the future community services in Calderdale and Kirklees and the future hospital services in Calderdale and Greater Huddersfield could look like. These proposals will be implemented in three inter-related phases over the next five years:

Phase 1 - Strengthen existing community services in line with the new model of care.
Phase 2 - Enhance community services – which is likely to move more services closer to home.
Phase 3 - Hospital changes.

3.0 Introduction

In September 2015, the Governing Bodies of Calderdale CCG and Greater Huddersfield CCG decided that as they were unable to set out: the proposed future model of care; the financial implications; and the preferred location of services, they were not ready to proceed to consultation. At the same time they noted: the work that was still required to be completed to produce the Pre Consultation Business Case (PCBC); the intention to progress this work jointly with Calderdale and Huddersfield Foundation Trust (CHFT) in line with a consolidated timeline that would reflect the

work that commissioners need to do to demonstrate readiness for consultation and the work that CHFT need to do to demonstrate financial sustainability to the regulator; that whilst this work was likely to be completed by the end of 2015 it would need to be subject to the scrutiny of commissioners and NHS England; and that we had achieved clinical consensus between the CCGs and CHFT on the proposed outline future model of care for hospital services.

This report sets out how the work we have completed in line with the consolidated timeline as attached at Appendix A has been used to support our options appraisal and determine the financial implications of the changes we are proposing and the preferred location of services. It provides: an understanding of the findings from our options appraisal; our progress in relation to the NHS England assurance process and an update on the publication timescale for the Pre Consultation Business Case (PCBC).

What follows in this report is a precis of material which is described in far more detail in the PCBC. However, our purpose in this paper is to provide a clear description of the governance arrangements that have operated in support of this process, and the responsibilities that each component of that governance arrangement have discharged on behalf of the CCGs. A description of the governance process that has operated, identifying the committee that has considered the individual elements is included at Appendix B.

4.0 The proposed future model of Care

We have reached clinical consensus of the proposed future model of care. In summary the proposed model of care is:

- Deliver care locally for the majority of patients, and where possible bring more services closer to Home.
- Continue to provide an NHS non-emergency number for those patients who need urgent medical help or advice which will, where appropriate, direct patients to the local service that is best placed to help them.
- For those people with Urgent care needs provide a highly responsive service that delivers care as close to home as possible, minimising disruption and inconvenience for patients and their families.
- Care for the smaller number of patients with ‘once in a lifetime’ life threatening illnesses and injuries in a single emergency centre or a specialist emergency centre with the very best expertise and facilities in order to maximise the chances of survival and a good recovery.
- For those elements of Planned Care where Hospital facilities are required, deliver that care as part of a broader integrated system, working across services, to keep people healthy and improve health at a population level.

- Deliver Maternity care that is integrated with specialist services and provides choice for mothers.
- Deliver Paediatric care that is integrated with specialist services and provides effective transition for children to adult services
- Deliver all in-hospital services in line with our Hospital Quality and Safety standards
- Work with the ambulance service to direct patients to the right place at the right time, including to Community and Primary Care if appropriate as well as to local and specialist services

5.0 Options Appraisal

The options appraisal process described below, provides a summary of the material that will be described in more detail in the PCBC.

There are three parts to the options appraisal process: Establishing a short list of options; agreeing the appraisal criteria we will use; and applying the criteria to the short list to establish the preferred option.

5.1 Establishing a Short List of Options

The table at Appendix C shows the 11 options that were considered together with the rationale for their being included or discounted as part of the short list of possible estate configuration options.

This initial shortlisting of options resulted in the following five options being taken forward to the next stage of the options appraisal process:

1. **The Base Case**

   Minimum change in hospital configuration across two sites but incorporates known changes that will occur in next 5 years (e.g. demographic, tariff impacts, initiatives unrelated to hospital reconfiguration).

2. **Emergency and Acute Care Centre and high risk planned care delivered at CRH.**

   CRH provides all acute and emergency care and clinically high risk planned care. Elective services are provided at HRI site on main site (dispose of Acre Mill).

3. **Emergency and Acute Care Centre and high risk planned care delivered at CRH.**

   CRH provides all acute and emergency care and clinically high risk planned care. Elective services are provided at HRI site on Acre Mill site (dispose of main site).

4. **Emergency and Acute Care Centre and high risk planned care delivered at HRI.**

   HRI provides all acute and emergency care and clinically high risk planned care. Elective services are provided at CRH site.

5. **Emergency and Acute Care Centre and high risk planned care delivered at HRI.**

   HRI provides all acute and emergency care and clinically high risk planned care. Elective services are provided at CRH site and alternate use of some of CRH estate is explored to optimise PFI utilisation.

It is important to note that the estate configuration options described above and at Appendix C relate solely to the existing hospital services provided by CHFT. For all the estate configuration options we also overlaid the requirement for the provision of a medically led 24x7 Urgent Care Centre at both Hospital sites in Halifax and Huddersfield.

5.2 Agreeing the Appraisal Criteria

The options appraisal process considers a number of factors that would influence the configuration of the potential future model and produces a recommended configuration based on the optimisation of these criteria. Both Commissioners and CHFT have independently produced criteria and conducted engagement with stakeholders during 2014-2015 in relation to them. These have been consolidated into a single set and subject to further engagement at a stakeholder event in December 2015. The feedback from that event was that stakeholders were supportive of the criteria we were using and thought that Quality of Care was the most important criteria. The table at Appendix D shows the appraisal criteria that we have agreed.

5.3 Applying the Criteria to the Options

In order to complete the options appraisal we have undertaken the work described in the consolidated joint timeline that was presented to the Governing Body in September 2015. The next sections of this report consider each of our appraisal criteria and provide an explanation of the work done to support the appraisal process.

Quality of Care

In order to understand the implications for Quality of Care, we have completed a Quality Impact Assessment and we have submitted our proposals to the Yorkshire and Humber Clinical Senate. We asked the Clinical Senate to 'Consider the hospital standards and the current baseline position, together with the potential future model of care for hospital services and provide an assessment of the extent to which they support the model's potential to deliver the hospital standards and address the issues outlined in the Quality and Safety Case for Change'. Our findings in relation to Quality Care are that the proposed model of care will:

- Support CHFT in meeting the agreed clinical standards
- Support redesigned care pathways to enhance quality and provide a better experience for patients
- Improve CHFT's ability to provide emergency and other clinical leadership and provide a better experience for staff
- Support reductions in avoidable admissions by enabling supportive self-management and enhancing care closer to home.

Access to Care

In order to understand the implications for Access to Care, we have completed a travel analysis and an Equality Impact Assessment. Our findings in relation to Access to Care are that:

- The proposed model of care will improve patient ability to access the right care in the right setting
- There are no protected groups who are likely to be impacted disproportionately by the proposed changes
- There is no material difference in average travel time impact between the two unplanned care site options
- An increase in car parking has been included in the capital estimates
- Co-location is expected to improve levels of safety and efficiency and allow staff to spend more time on patient care which will minimise delays in care pathways, once in receipt of care.

Value for Money

We have undertaken a joint comparison of financial assumptions which has considered: income and activity adjustments over a five year period, including CCG QIPP and commissioning intentions. We have used this information to construct the position over the next five years. Our findings in relation to Value for money are that the proposed model of care will for CHFT:

- Yield a positive movement in forecast income and expenditure relative to the base case.
- Forecast the most positive recurrent revenue and cash flow position.
- Improve the income and/or decrease the cost for individual service lines through facilitating the efficient delivery of Care Closer to Home.
- Allows access to a number of possible funding sources.

In addition to this the model supports delivery of CCG QIPP savings over the next 5 years.

Deliverability and Sustainability

We have completed work to understand the impact of technology and undertaken activity and patient flow modelling (comprising: the expected activity by site; the expected beds, theatres and outpatient clinic requirements by site; and the workforce requirements by site) to identify the implications for estate and workforce. Our findings in relation to deliverability and sustainability are that the proposed model of care will:

- Require a plan to maintain services during transition and minimise avoidable harm.
- Have no material difference in one-off reconfiguration costs between the two unplanned care site options.
- Realise benefits within a five year time frame.
- Support improvements in staffing resilience and flexibility

Co-dependencies with other strategies

The proposals are part of the CCGs' long term plans and provide direct alignment with other work in the local health economy in relation to Care Closer to Home. We have also considered the Joint Strategic Needs Assessment (JSNA) and Joint Health and Wellbeing Strategy (JHWS) for both Kirklees and Calderdale and the implications of the changed forecast bed occupancy. Our findings in relation to Co-dependencies with other strategies are the proposed model of care will:

- Be directly aligned with the plans for the local Health Economy
- Support delivery of the JSNA and JHWS priorities
- Improve resilience through a reduction in forecast bed occupancy and improving recruitment and retention of workforce.

From the work conducted to complete the appraisal process we have been able to set out the financial implications of our proposals and the preferred location of services. The detail supporting these two elements will be included in the PCBC. However, we are aware that the financial implications are significant and that there will be a requirement for a substantial amount of funding to be provided to the system. We

know that Monitor and CHFT are in conversation with the Department of Health regarding the level of support that could be provided.

6.0 Assessment against the Four Key Tests.

In order to satisfy the NHS England (NHSE) change assurance process, all our service change proposals are expected to comply with the Department of Health's four tests for service change. These are:

- Strong public and patient engagement;
- Consistency with current and prospective need for patient choice;
- A clear clinical evidence base; and
- Support for proposals from clinical commissioners

NHS England has commenced their Strategic Sense Check on our proposals. We will use our PCBC as the vehicle to provide further evidence to NHS England and demonstrate our compliance with the four tests and other best practice checks.

The assurance process concludes with an assurance checkpoint at which time NHS England provide a recommendation regarding whether commissioners are ready to proceed to consultation. We anticipate that the evidence we submit will be sufficient to enable NHS England to recommend that we are ready for consultation. We expect to know their recommendation prior to the Governing Body meeting on 20th January.

7.0 Timeline to Completion of the Pre-Consultation Business Case

The detail supporting the options appraisal described above together with the work we have previously completed in relation to our Case for Change and our Pre consultation engagement will be used to produce a Pre-Consultation Business Case (PCBC). It is anticipated that this document will be completed and published on 15th January, with an earlier draft submitted to NHS England to enable them to complete their assurance process.

8.0 Readiness to proceed to consultation

We have agreed as commissioners that in order to be ready for consultation we will need to be able to set out: the proposed future model of care; the financial implications; and the preferred location of services. We have reached clinical consensus on our preferred model of care and from the work conducted to complete the appraisal process we have been able to set out the financial implications of our proposals and the preferred location of services.

It is proposed that we have satisfied the tests that we have established and that we are ready to proceed to consultation. It is anticipated that, pending the successful completion of the PCBC, our consultation plan and consultation document, we could be ready to commence consultation in early February, 2016.

9.0 Recommendations.

The Governing Body is asked:

1. To agree that we have completed the work to set out: the proposed future model of care; the financial implications; and the preferred location of services.
2. To note that the publication date for the Pre-Consultation Business Case is 15th January, 2016.
3. To note that the view from both CCGs is that we are confident that we will be in a position to submit sufficient evidence to satisfy the requirements of the NHS England assurance process.
4. To note that at the time of writing, we still need to secure final approval from NHS England.
5. To agree that we are ready to proceed to consultation and to agree a timescale for that.

Appendices

Appendix A **Consolidated Timeline**

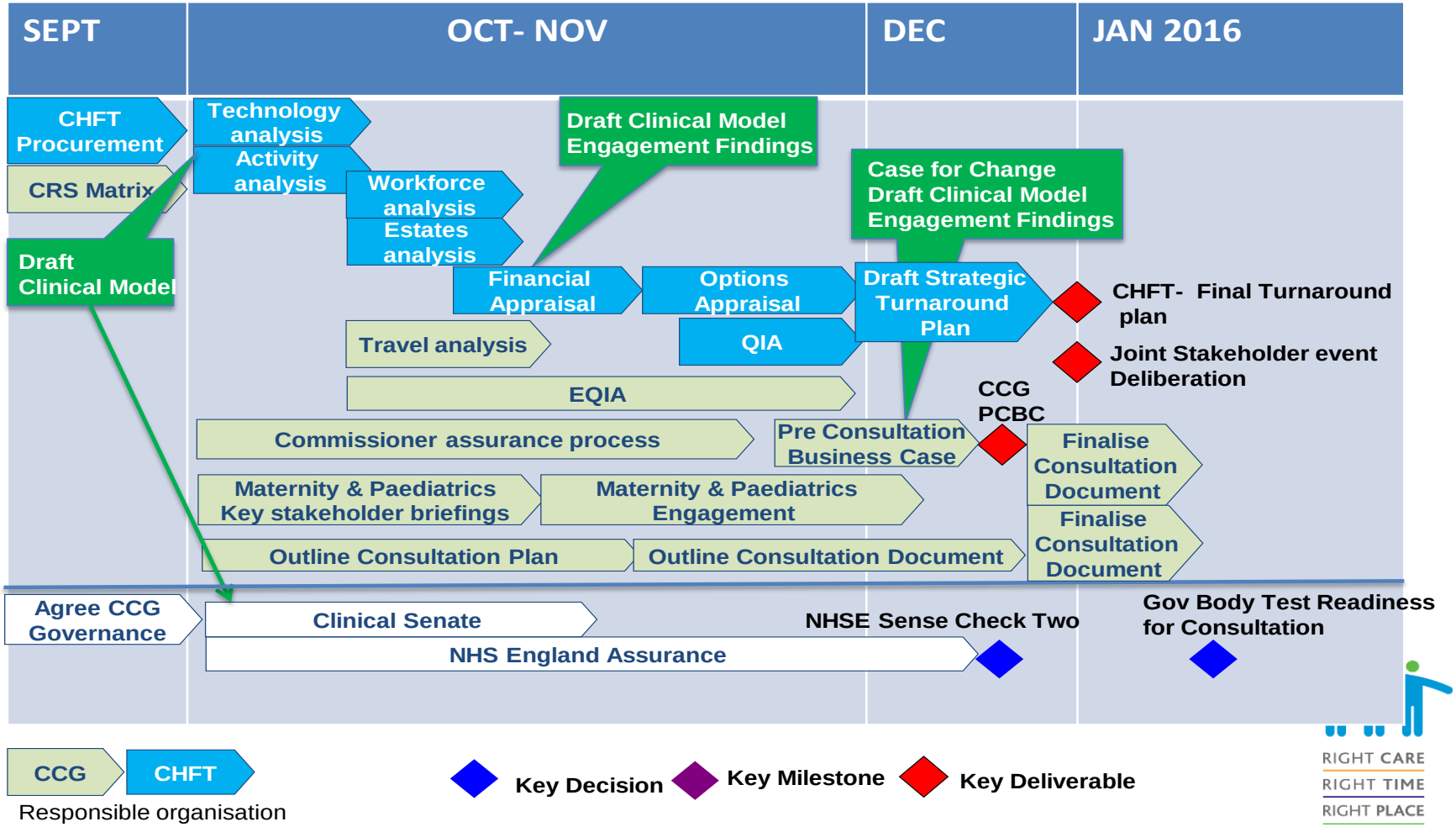
Appendix B **Governance Arrangements**

Appendix C **Estate/Service Configuration Long list**

Appendix D **Appraisal Criteria**

Hospital Services Programme – High Level Joint plan CCGs and CHFT

V0.4
Draft



The table below identifies the respective CCG committee that was allocated responsibility for the individual pieces of work in the joint timeline

Work to be completed	CCG Committee
Technology Analysis	Finance & Performance
Commissioner Requested Services (CRS) Designation	Finance & Performance
Activity Analysis	Finance & Performance
Workforce Analysis	Quality
Estate Analysis.	Finance & Performance
Travel Analysis	Quality
Financial Analysis	Finance & Performance
Quality Impact Assessment	Quality
Equality Impact	Quality
Options Appraisal.	Finance & Performance/ Quality

All the pieces of work have been seen by the respective committees in both CCGs as outlined above, with the exception that the workforce analysis has been seen by Finance and Performance Committee rather than Quality Committee due to its inter-relationship with the finance and activity analyses.

In addition to the above, we have worked with the Consultation Institute which has provided assurance in relation to our pre-consultation engagement.

Option	Configuration	Description of Assessment	Shortlist
1	**The Base Case** Minimum change in hospital configuration across two sites but incorporates known changes that will occur in next 5 years (e.g. demographic, tariff impacts, initiatives unrelated to hospital reconfig).	The base case must be included in the strategy to understand the impact of the reconfiguration options.	**YES**
2	**All current Hospital Services provided at CRH** All existing hospital services provided at CRH i.e. a single hospital site proposal**.** Dispose of HRI and Acre Mill sites.	Not in line with Clinical Model No guarantee that capacity will be sufficient to service the local community Requires extensive reconfiguration and capital investment.	**NO - Discount**
2a	**All Hospital Services provided at CRH enabled by a retracted range of services provided by CHFT** The trust reduces market share to ensure all services can be delivered from CRH site only i.e. single hospital site proposal**.** Dispose of HRI and Acre Mill site	Not in line with Clinical Model No guarantee that capacity will be sufficient to service the local community Requires extensive reconfiguration and capital investment.	**NO - Discount**
3a	**All Hospital Services at HRI – Use Break Clause for PFI** All hospital services provided at HRI i.e. a single hospital site proposal. Exit CRH site through use of PFI break clause.	Not in line with Clinical Model No guarantee that capacity will be sufficient to service the local community Requires extensive reconfiguration and capital investment. PFI break clause expected to be £200m and not available for 30 years.	**NO - Discount**
3b	**All Hospital Services at HRI –Trust sublets / finds alternate use of CRH** All hospital services provided at HRI i.e. a single hospital site proposal. Alternate use of CRH secured.	Not in line with Clinical Model No guarantee that capacity will be sufficient to service the local community Requires extensive reconfiguration and capital investment. Likelihood of securing alternate use that would cover PFI cost is low	**NO - Discount**
4(a)	**Emergency and Acute Care Centre and high risk planned care delivered at CRH.** CRH provides all acute and emergency care and clinically high risk planned care. Elective services are provided at HRI site on main site (dispose of Acre Mill).	In line with Clinical Model Safer / higher quality services, 24hr consultant led care Undisturbed planned care More resilient workforce model Capital receipt from sale of Acre Mill	**YES**

Option	Configuration	Description of Assessment	Shortlist
4(b)	**Emergency and Acute Care Centre and high risk planned care delivered at CRH.** CRH provides all acute and emergency care and clinically high risk planned care. Elective services are provided at HRI site on Acre Mill site (dispose of main site).	In line with Clinical Model Safer / higher quality services 24hr consultant led care Undisturbed planned care More resilient workforce model Capital receipt from sale of HRI	**YES**
5(a)	**Emergency and Acute Care Centre and high risk planned care delivered at HRI.** HRI provides all acute and emergency care and clinically high risk planned care. Elective services are provided at CRH site.	In line with Clinical Model Safer / higher quality services 24hr consultant led care Undisturbed planned care More resilient workforce model	**YES**
5(b)	**Emergency and Acute Care Centre and high risk planned care delivered at HRI.** HRI provides all acute and emergency care and clinically high risk planned care. Elective services are provided at CRH site and alternate use of some of CRH estate is explored to optimise PFI utilisation.	In line with Clinical Model Safer / higher quality services 24hr consultant led care Undisturbed planned care More resilient workforce model	**YES**
6	**New build** Exit both CRH and HRI sites and build new hospital delivering all services on alternate site.	In line with Clinical Model Safer / higher quality services 24hr consultant led care Undisturbed planned care More resilient workforce model Requires extensive capital investment. Funding highly unlikely to be provided PFI break clause expected to be £200m and not available for 30 years Likelihood of securing alternate use that would cover PFI cost is low.	**NO - Discount**
7	**Growth of activity and income on both sites to improve financial & clinical viability negating need for reconfiguration** Maximise income from both sites via increased market share to enable improved income and viability.	Not in line with Clinical model Unlikely to be able to secure sufficient market share / growth to enable improvement in financial and clinical viability.	**NO - Discount**

	Criterion	Description
1	***Quality of Care***	Deliver improvements to our clinical quality and safety whilst giving best chance of achieving our hospital standards
		Provides a better experience for patients
		Provides a better experience for staff
		Enables supportive self management
2	***Access to Care***	Quality and equality impact assessment for both adults and children. This covers 4 areas: 1. Improved patient ability to access the right treatment in the most appropriate setting. 2. Minimising the average and/or total time it takes people to get to hospital by ambulance, public transport and car (off-peak and peak) 3. Car parking facilities 4. Minimise delays in care pathways, once in receipt of care.
3	***Value for Money***	Most likely to return the Trust to sustainable financial position within the context of a balanced Health and Social Care System
		Provides the most positive net present value (NPV) over 30 years, return on capital and other financial requirements
		Delivers improvement of headline profitability ratios (e.g. Carter)
		Improves income / cost balance of individual service lines
		Minimises the need for capital through a diversity of funding sources
4	***Deliverability & Sustainability***	Minimises avoidable harm during transition
		Provides the most cost effective reconfiguration of services
		Minimises the time taken to deliver the proposed changes
		Delivers robustness over a 20 year time horizon
		Supports attraction and retention of staff
5	***Co-dependencies with other strategies***	Demonstrates sufficient flexibility to integrate/improve partnership working with, for example, the Local Authority/ Social Care/ GPs and Third Sector.
		Alignment with Joint Strategic Needs Assessments (JSNA's)
		Maximise resilience to wider system/organisational failure