

**ITEM No**

**JOINT CITY AND COUNTY  
HEALTH SCRUTINY COMMITTEE**

**11 SEPTEMBER 2007**

**REPORT OF THE HEAD OF OVERVIEW AND SCRUTINY – NOTTINGHAM  
CITY COUNCIL**

**WORK PROGRAMME PLANNING – NOTTINGHAM UNIVERSITY  
HOSPITALS TRUST**

**1 SUMMARY**

This meeting will be attended by Dr Peter Homa, Chief Executive, and Julia Hickling, Director of Strategy, from Nottingham University Hospitals Trust and representatives of the City Primary Care Trust. They are attending to present to the Committee the major plans the Trust has for the coming year. This will enable Members to plan the inclusion of developments etc at the Hospitals Trust in their work programme.

This report outlines the matters that Dr Homa has been asked to cover in a paper (which follows this report as appendix A) and to discuss with the Committee.

**2 MATTERS FOR CONSIDERATION**

It is recommended that Members consider the information provided by Dr Homa in both the following paper and verbally at this meeting and use it to inform the development of the Committee's work programme in relation to the Hospitals Trust.

**3 BACKGROUND INFORMATION**

During the last Municipal Year this Committee undertook a significant amount of work examining changes to services at the Hospitals Trust, including the plans for the development of children and young people's services and changes to stroke services. It is anticipated that this pace of change at the Trust will continue throughout this year. Therefore the Trust was requested to prepare a paper and for the Chief Executive to attend this meeting to discuss the following with Members:

- the Trust's major development plans for the coming year;
- any overall plan the Trust is working on for the Hospital's two main sites;

- any major service redesign that is likely to begin over the next twelve months, particularly those likely to result in a formal consultation.

The paper requested from the Trust is attached as appendix A to this report.

**4 SUPPORTING INFORMATION**

Appendix A Paper supplied by Nottingham University Hospitals Trust

**5 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING EXEMPT OR CONFIDENTIAL INFORMATION**

None

**6 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

None

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**6 August 2007**

**Reconfiguring health services at Nottingham University  
Hospitals NHS Trust**

Briefing paper for the Joint Health Overview and Scrutiny Committee  
Tuesday 11<sup>th</sup> September 2007

## **1. Background**

The NHS is changing in a number of fundamental ways. Nottingham University Hospitals NHS Trust (NUH), in common with other hospital trusts, does not exist in a static environment. The Trust was established following agreement that a single acute trust in Nottingham would be best able to govern the long-term financial and clinical viability of hospital service provision and hence provide the greatest benefits to patients. In doing this we must adapt to an increasingly rapid pace of change driven by external factors, policy changes and medical advances.

This paper outlines the main drivers for change that we need to respond to in developing a five-year strategic plan for NUH. This paper also details the planning tasks that need to be undertaken, the proposed timescales for delivery as well as thoughts on how we might involve our partners including Overview and Scrutiny members and officers.

## **2. The changing NHS**

External and internal drivers for change are shaping the future of NUH.

### **2.1 Changes in patients and the population**

- The number of people aged over 85 years is increasing, with older people being both a high user and high cost group of patients.
- Over fifteen million people in England have a long term condition and this is expected to increase. Five per cent of patients with multiple long term conditions account for 50 per cent of in-patient bed days. The current models of care for patients with long term conditions are unsustainable.
- The rise in obesity is increasing the risk of strokes, heart attacks and Type 2 diabetes and therefore the requirement for health services.
- Growing consumer expectations are resulting in patients increasingly wanting 24/7 access to high quality services in locations which provide convenience through ease of access

Overall the indicators for health for people living in Nottingham are worse than average when compared to England and the East Midlands while in Nottinghamshire the indicators for health show a mixed picture when compared with England and the East Midlands.

## 2.2 Advances in medical technology

- Developments in medical technology are changing the way that health care is provided. Advances in surgery are expected to result in up to 80 per cent of planned operations being performed on a day-case / short stay basis with the potential for general anaesthetic surgery to be undertaken in local, including community, hospitals and local anaesthetic work to be increasingly provided in health centres and large GP practices. The remaining 20% of surgery will be increasingly undertaken at specialist centres with patients transferred to local hospitals at the earliest opportunity for intensive recuperation.
- Technology is also rapidly changing the ability to treat more and more people with conditions like diabetes out of hospital and closer to their homes

## 2.3 Policy direction

In response to the aging population and the rising burden of lifestyle disease national policies are placing a greater emphasis on promoting health, preventing illness and supporting independence. In addition now that people can get access to timely care, the policy direction is moving to delivering safe and effective care locally wherever possible and in specialist centres only where necessary.

It is expected expansions in community services will bring about more treatment at home, more outpatients seen locally, more rehabilitation and intermediate care services provided within localities and more treatment in GP surgeries. Specialist inpatient hospital services will be available for patients that need them but will be delivered from regional acute hospitals that provide 24-hour access to consultant cover in all necessary specialties and access to state of the art equipment. Centralisation of acute services will allow concentration of skills and enable specialist teams to carry out more complex procedures and improve patient care and outcomes.

'Clinical Cases of Change' have been issued by the Department of Health for Emergency Care, Surgery, Maternity, Children and Young People, Diabetes, Cancer, Heart, Stroke and Primary Care services. All of these documents are signalling a strengthening of networks of care with increased service provision in primary care and the community together with increased specialisation and concentration of acute services into regional centres.

## 2.4 Patient choice and plurality of provision

Market factors of competition and choice are also shaping health service provision. Within the local health community, the Centres of Clinical Excellence (CCE), who have recently acquired Nations Healthcare, will operate the Nottingham NHS Treatment Centre under the terms of a minimum take contract for the next five-years. Other independent sector providers are also operational, providing plurality of provision, including the Barlborough Treatment Centre, the Nuffield and the Park (the latter being owned and operated by BMI Healthcare).

In the future competition and choice is not expected to be limited to independent sector providers and other acute NHS trusts but also potentially from emerging community foundation trusts, social enterprises and general practitioner delivered services.

## 2.5 Commissioning intentions

Reconfigured Primary Care Trusts (PCTs), with strengthened commissioning functions, have been established to respond to the challenges that these drivers present. With the growth in the allocation of money to the NHS reducing after 2008, commissioning decisions and choices will be needed to ensure that public money is invested in the most clinically and cost effective way. Investment in services needs to be both sustainable and affordable.

Over the coming months Nottinghamshire County Teaching PCT will be leading a review of acute hospital service provision and determining future commissioning priorities and intentions. We recognise our current services have developed over many years, in response to specific patient needs, the interests of individual clinical staff and academics and a multitude of separately funded initiatives. It would therefore be surprising if our resultant service provision meets the current needs of patients, service commissioners and other stakeholders.

## 2.6 Clinically and financially viable services

The future success of NUH is dependent on our ability to deliver services that are both clinically and financially viable. For services to be clinically viable our catchment population needs to be large enough to generate a volume of clinical work in a given area sufficient to:

- Maintain the skills of the clinicians delivering the service within the recognised standards of the appropriate authorities, e.g. the Royal Colleges
- Support service provision in an economically efficient way, with all the necessary support staff and facilities for clinical activity
- Enable the efficient ordering of rotas for consultant staff

In short, clinical viability will only be achieved if we have commissioner support and can attract and treat a critical mass of patients for each service provided, which is sufficient to sustain delivery of a high quality service.

For our services to be financially viable, the income associated with a given activity needs to equal or exceed the costs associated with it. NUH expects to have achieved an in-year breakeven position by the end of 2007/08 and needs to generate a surplus in 2008/09 to repay the underlying deficits inherited from the predecessor organisations. In aiming to achieve Foundation Trust status in 2009 we need to deliver a year on year financial surplus in order to be able to invest in service development and avoid service cuts in the future.

## 2.7 NUH – the country's leading teaching acute Trust

Our vision is to be the country's leading, teaching acute Trust by 2016. This vision is unashamedly ambitious because we believe our patients and the public of Nottingham and Nottinghamshire deserve no less.

We will only realise this vision if we achieve excellence in clinical outcomes, patient experience, teaching and training, research and value for money through effective systems, culture and partnerships.

We do not underestimate the challenges associated with achieving our vision, particularly in respect to teaching and research. Nationally driven changes to the teaching of junior doctors, brought about by policy initiatives to Modernise Medical Careers (MMC), are having a significant impact on our capacity to deliver services. In addition the national research agenda is also changing in response to Government concerns that funding was not being used as a resource for research and that NHS organisations did not have the capacity, capability and infrastructure to translate basic biomedical research into the application of care (bench to bedside) in a timely fashion.

Strong foundations in both teaching and research are essential to our future success. In striving to be the best we need to attract, develop and retain highly talented staff, efficient in delivering the highest possible standards in all they do.

All of the above drivers for change are requiring a whole scale rethink of service models rather than a 'tweaking around the edges' of real service change.

## **3. Developing a strategy for NUH**

### 3.1 Five-year business plan requirements for foundation trust status

NUH is looking towards applying for NHS Foundation Trust status (NHSFT) in Wave 10 which, if successful, would lead to us becoming a NHSFT from January 2009. A key requirement of any application for NHSFT status is the development of a coherent trust wide five-year business plan (also known as the service development strategy). We therefore intend to use the Foundation Trust application process as the vehicle for determining our strategic direction. Our five-year business plan will need to set out

- Our context i.e. who we are and what we do, the community we serve, our main competitors, our opportunities and our threats.
- The key financial and non-financial assumptions we have made and the support those assumptions have internally and externally
- Our vision for the future. This will need to include:
  - o A fully costed and 'doable' plan for reconfiguration which has the support of key external bodies such as patients and their representatives, the Overview and Scrutiny Committee (OSC), commissioning PCTs, regional networks etc.
  - o Our activity and financial forecasts for the next five years.
  - o Evidence of the planning to demonstrate that we know how we will achieve our vision so that the Strategic Health Authority (SHA), Department of Health (DH) and the Foundation Trust Regulator (Monitor) can gain the comfort that we fully understand the actions we need to take, the timescales for those actions, the implications of those actions (i.e. the knock on effect to others) and have contingency plans in place in case we start to go off track. Monitor will seek evidence that we have a consensus to these plans both internally and externally.

The application process will require NUH to demonstrate that we have the necessary systems and processes in place to secure delivery of our five-year plan and we can therefore expect to be asked to provide evidence of a wide range of underpinning strategies including:

- Marketing
- Communications
- Estates
- Research and development
- Training and teaching
- Patient experience / Patient and Public Involvement (PPI)
- Clinical outcomes

### 3.2 Planning timescales

The five-year plan will be a 'living document' and we will need to review and revise it on a quarterly basis to take account of the changing NHS both nationally and locally. The development of the plan will be an iterative process and will need to demonstrate to the recipients that our organisation wide plan is not only credible but it is also 'doable' and viable, at the following intervals:

When	To	Why	Shared with
Apr 2008	NHS East Midlands (SHA)	We can expect the SHA to wish to see the five-year business plan in order to satisfy themselves that we are in position to make an application that appears to have the hall marks of success.	This version will need to be agreed internally and then shared with partner organisations before being approved by at the April Trust Board.
July 2008	Department of Health	Forms a key part of the paperwork to secure the Secretary of State for Health's approval to proceed to the next stage of the application process.	This version will need to be agreed internally and then shared with partner organisations including the SHA before being approved by the Trust Board.
Sep 2008	Monitor, the Independent Regulator for NHS Foundation Trusts	Part of the requirements of the final stage of the application process. Monitor will not consider our application without the submission of a credible, viable and 'doable' five-year business plan.	This version will need to be agreed internally and then shared with partner organisations including the SHA before being approved by the Trust Board.

To achieve the April 2008 deadline we will need to have developed a first draft / first cut of our five-year plan by late November 2007. This will allow time for the Trust Board to discuss the draft at the December 2007 meeting and for a more detailed analysis of the options to be undertaken between December 2007 and March 2008 so that the Board can sign off the version that is sent to the NHS East Midlands (SHA) at the April 2008 Trust Board meeting.

### 3.3 First cut and second cut iterations of the five-year plan

The first cut iteration of the five-year plan will need to show we have considered a range of high level strategic reconfiguration options and undertaken an initial appraisal and potential 'slimming down' of these options based on whether they are 'doable', viable and credible. The outputs of the first cut iteration will need to be shared with local partners including PCTs and the Overview and Scrutiny Committee. Once completed this first cut will provide a high level outline of the plan for delivery and signal the Trust's intended strategic intent.

For the second cut iteration we will need to refine the preferred options into a more detailed plan. We will also need to outline how we are preparing for public consultation if this is required. The second cut will need to demonstrate firm commitment from local partners and make evident we are preparing



detailed implementation plans. In particular we will need to show that our emerging five-year plan is consistent with and complimentary to the outputs of the borough-wide 'Health Services Review' that Nottinghamshire County Teaching PCT is leading and that the strategic direction of our organisation is coherent with that of our PCTs, practice-based commissioners and other partners.

### 3.4 Partner involvement

Stakeholder engagement to the process is being invited via a number of means:

- A five-year planning reference group, for external stakeholders, is being established. The group will meet on a monthly basis with the inaugural meeting scheduled to take place on 20<sup>th</sup> September 2007. The group will enable an integrated, coherent approach to health service planning and will be specifically tasked with ensuring the emerging business plan has support from key external stakeholders and will be deliverable from a health community perspective. We would welcome Overview and Scrutiny Committee representation on this planning forum
- We are developing a programme of 'time out' sessions for senior managers at NUH and the plan is for a number of these sessions to be devoted to Foundation Trust status and the five-year business plan, with the intention being to extend the invitation to some of these sessions to our external partners.
- We would also welcome the opportunity to attend Overview and Scrutiny Committee meetings to provide regular updates on progress over the coming months

### 4. Next steps

Work on our five-year business plan and future configuration of services will commence in September. This work will be progressed in partnership with our key stakeholders.