

**Trust Board Paper Z**

<b>To:</b>	<b>Trust Board</b>		
<b>From:</b>	Kate Shields		
<b>Date:</b>	<b>24 April 2014</b>		
<b>CQC regulation:</b>	As applicable		
<b>Title:</b>	Developing a provider alliance across the Leicester, Northampton and Rutland for Specialised Services		
<b>Author/Responsible Director:</b> Kate Shields Director of Strategy			
<b>Purpose of the Report:</b> The purpose of the paper is for the Trust Board to consider the proposal that University Hospitals Leicester, Northampton General Hospital and Kettering General Hospital (subject to organisational support) come together to establish Leicestershire Northamptonshire & Rutland Partners for our specialised service infrastructure.			
<b>The Report is provided to the Board for:</b>			
Decision	<input checked="" type="checkbox"/>	Discussion	<input checked="" type="checkbox"/>
Assurance	<input type="checkbox"/>	Endorsement	<input type="checkbox"/>
<b>Summary / Key Points:</b>			
<ul style="list-style-type: none"> <li>• Traditionally planning populations for many Specialised Services needed to be in the region of one million; this planning assumption is now being challenged by the emerging NHS England Specialised Services Strategy which appears to suggest that units of planning should be around 2 million. NHS England's stated intention is to move from 220 acute providers of Specialised Services to between 15–30 providers within a five year time line.</li> <li>• The East Midlands has a catchment population of around five million and therefore as a unit of planning there is a clear opportunity for provider collaboration across the whole East Midlands</li> <li>• Suggests a two stage approach for University Hospitals Leicester, first agreeing provider collaboration for the south of the East Midlands and second agreeing with Nottingham University Hospitals provider collaboration across the East Midland's a whole.</li> <li>• Proposing that University Hospitals Leicester, Northampton General Hospital and Kettering General Hospital (subject to organisational support) come together to establish Leicestershire Northamptonshire &amp; Rutland Partners for our specialised service infrastructure.</li> </ul>			
<b>Recommendations:</b>			
<ul style="list-style-type: none"> <li>• Consider the opportunities offered and the potential to form a unique partnership</li> <li>• Agree the underpinning principle of partnership working rather than acquisition and give a commitment to developing this for the future</li> <li>• Agree that the Director of Strategy is the lead Director for taking this forward</li> <li>• Agree a timetable for a programme plan for next steps</li> </ul>			

<b>Previously considered at another corporate UHL Committee?</b> No	
<b>Board Assurance Framework:</b> N/A	<b>Performance KPIs year to date:</b> N/A
<b>Resource Implications (eg Financial, HR):</b> Yes	
<b>Assurance Implications:</b> Yes	
<b>Patient and Public Involvement (PPI) Implications:</b> yes	
<b>Stakeholder Engagement Implications:</b> yes	
<b>Equality Impact:</b> N/A	
<b>Information exempt from Disclosure:</b> No	
<b>Requirement for further review?</b> Yes	

# Developing a provider alliance across the Leicester, Northampton and Rutland for Specialised Services

## Introduction

1. There is a population of around two million people across the south of the East Midlands. Traditionally planning populations for many Specialised Services needed to be in the region of one million; this planning assumption is now being challenged by the emerging NHS England Specialised Services Strategy which appears to suggest that units of planning should be around 2 million. NHS England's stated intention is to move from 220 acute providers of Specialised Services to between 15–30 providers within a five year time line.
2. A clear process is emerging, based upon the implementation of service specifications that starts to move services into designated tertiary centres. Some de-commissioning has already started around the country and in some places notably London, provider alliances are starting to emerge to consolidate patient pathways.
3. London Providers are suggesting that the planning population for the future should be in the region of six million to allow economies of scale to emerge and cost of provision to drop as intervention volumes increase. The East Midlands has a catchment population of around five million and therefore as a unit of planning there is a clear opportunity for provider collaboration across the whole East Midlands.
4. This suggests a two stage approach for University Hospitals Leicester, first agreeing provider collaboration for the south of the East Midlands and second agreeing with Nottingham University Hospitals provider collaboration across the East Midlands as a whole.
5. Discussions have already taken place with Northampton General Hospital, Kettering General Hospital. These are described below:

## Local context

6. Northampton General Hospital, Kettering General Hospital and University Hospitals of Leicester all provide a range of specialised services; these are all commissioned nationally by NHS England through our Area Team.
7. As with other commissioners our national commissioners will see a considerable tightening of their financial flexibility. The current financial gap on a national budget of £12 billion is £800 million. This financial gap will drive greater control over service proliferation with services having to compete nationally for roll out of new technologies, rather than agreeing them locally.
8. This is a step change from the way services have developed in the past. The NHS Act 2012 states that only NHS England can commission 'prescribed services' (Specialised Services) and therefore if they do not judge us as meeting the service specification or do not identify us as preferred providers through a national competitive process we will not be able to provide them.

9. For each organisation income from specialised services is significant representing circa 32% for University Hospitals Leicester, 12.4% for Northampton General Hospital and 10% Kettering General Hospital. We are duplicating services, some appropriately, some that will be vulnerable for the future. Each organisations gains kudos and service stability from a range of these services and it is undoubtedly true that having a stable, sustainable tertiary base drives success in recruitment, retention, research and development and ability to attract income from commercial trials. At a time when 70% of our business is potentially retracting this is vitally important.
10. There are clinical flows out of the south East Midlands to other tertiary centres which results in loss of market share for University Hospitals Leicester and therefore a loss of market stability for the south East Midlands as minimum numbers for conditions will drive service designation. Closer strategic alliance between University Hospitals Leicester, Northampton General Hospital and Kettering General Hospital will help to mitigate this.
11. Northampton General Hospital have indicated that they would be supportive of this approach. Early discussions with Kettering General Hospital have been supportive but a change in Chief Executive at Kettering General Hospital means that this will need to be revisited.

## **Proposition**

12. We are proposing that University Hospitals Leicester, Northampton General Hospital and Kettering General Hospital (subject to organisational support) come together to establish Leicestershire Northamptonshire & Rutland Partners for our specialised service infrastructure.
13. We should assess all of our specialised services and agree which ones we would bring into a partnership model in the first instance.
14. The partnership should seek to ensure the clinical and financial viability of all partners; it would not be acquisition but genuine partnership.
15. All specialised activity that can appropriately be retained within the partnership services will be identified and the default should be that we have patient pathways within Leicestershire Northamptonshire & Rutland Partners rather than outside.
16. A Partnership Board will be established to lead this work identifying five priority services in 2014/15 with more in 2015/16.

## **Recommendation**

17. The Board is asked to:
  - **Consider** the opportunities offered and the potential to form a unique partnership
  - **Agree** the underpinning principle of partnership working rather than acquisition and give a commitment to developing this for the future
  - **Agree** that the Director of Strategy is the lead Director for taking this forward
  - **Agree** a timetable for a programme plan for next steps.