

**Manchester City Council
Report for Resolution**

Report to: Executive – 29 June 2016

Subject: Manchester Locality Plan – Single Hospital Service Review

Report of: Joint Director for Health and Social Care Integration

Summary

At the meeting of the Health and Well Being Board on 11th November 2015 it was agreed that a review would be commissioned of hospital services in Manchester. Two reports have been subsequently approved by the HWBB, firstly an assessment of the benefits of a single hospital service, and secondly and subject to the first a report on the governance and organisational arrangements.

Recommendation

The Executive is asked to endorse the recommendation supported by the HWBB that Central Manchester Foundation Trust (CMFT), University Hospital of South Manchester (UHSM) and Pennine Acute Trust (PAT) be requested to enter into discussion to consider the creation of a new, single organisation and to provide an initial assessment on implementation requirements and timescale. The Trust should report back the outcomes of these discussions to the HWBB within 6 weeks.

Wards Affected All

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The acute hospital sector in Manchester is a major employer of staff (approximately 40,000) and a significant contributor to the local economy.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Working together integrated hospital services would assist Manchester in establishing its rightful place as a major academic health centre providing the best in clinical care, education and research opportunities
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Opportunities for training/education will be strengthened for staff working across the sector. Additionally, regardless of where residents live, the proposal will provide the best opportunity for ensuring all clinical services are raised to the standard of the best enabling more residents to benefit from high quality care..

A liveable and low carbon city: a destination of choice to live, visit, work	The proposal will optimise the productivity of the clinical services and resources available while also maximising the use of the facilities available.
A connected city: world class infrastructure and connectivity to drive growth	Manchester offers areas of world class clinical expertise. This proposal seeks to build upon that and extend its reputation in order to attract investment through research and development opportunities.

Full details are in the body of the report, along with any implications for

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

There are no revenue consequences for the Council associated with this report.

Financial Consequences – Capital

There are no financial consequences in terms of capital costs for the Council associated with this report.

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Background documents (available for public inspection):

1. Manchester Health and Social Care Locality Plan – Report to the Health and Wellbeing Board (11th November 2015)
2. Single Hospital Service Action Plan (HWBB 11th November 2015)
3. City of Manchester Single Hospital Service Update 9HWBB (13th January 2016)
4. Manchester Locality Plan (HWBB 9th March 2016)

5. Single Hospital Service Update (HWBB 9th March 2016)
6. Manchester Locality Plan (HWBB 27th April 2016)
7. Single Hospital Service Review – Stage One Report (HWBB 27th April 2016)
8. Single Hospital Service – Stage Two Report (HWBB 8th June 2016)

The full reports of the Stage one and Stage 2 Single Hospital Service are available at:

http://www.manchester.gov.uk/meetings/meeting/2828/health_and_wellbeing_board

http://www.manchester.gov.uk/meetings/meeting/2641/health_and_wellbeing_board

1.0 Introduction

- 1.1 In February 2015 the local authorities and NHS organisations in Greater Manchester signed a landmark devolution agreement with government on the transformation of health and social care. At the heart of the agreement is a vision to deliver the fastest and greatest possible improvement in the health and well being of the 2.8 million people living across Greater Manchester. Over the preceding 16 months, GM partners have developed a strategic plan for delivering the devolution deal, underpinned by Locality Plans in each of the 10 GM districts.
- 1.2 Manchester's Locality Plan – A Healthier Manchester – is one of 10 Locality Plans which underpin the GM Plan. The HWBB approved Manchester's Locality Plan at its meeting on 27th April 2016.

2.0 Background

- 2.1 The Single Hospital Service is one of '3 pillars' that underpin the ambition contained in the Locality Plan to improve health outcomes for citizens, while also securing clinical and financial sustainability of health and care services in the city in the future. Along with developing a single commissioning function, and developing a single approach to clinically led integrated community services, the Single Hospital Service is a key delivery mechanism for driving the whole scale transformation and improvements in service quality and standards in the acute sector.
- 2.2 In **November 2015** the HWBB endorsed proposals to undertake a review exploring the benefits of the establishment of a single hospital service for Manchester. The proposal supports the delivery and development of the GM Plan – Taking Charge of our Health and Social Care in Greater Manchester – and acknowledged that despite hosting a variety of hospital services in Manchester, some with national and international reputations, it continues to be the case that the residents of the City generally have poor health outcomes compared to the rest of the country.
- 2.3 The main hospital services that are used by the residents of Manchester are currently provided by 3 different provider organisations, Pennine Acute NHS Trust, Central Manchester University Hospitals NHS FT, and University Hospitals of South Manchester FT. Previous national policy had encouraged provider organisations to compete, and the structure of contracts, payment mechanisms and competitive tendering arrangements had made it difficult for trusts to operate in any other way.
- 2.4 The Single Hospital Service commenced in **January 2016** with key milestones to deliver a stage 1 report on a benefits assessment of a single service model, and subject to the outcome of stage 1, a stage 2 report on governance and organisational arrangements was prepared. Both reports were received by the HWBB in **April** and **June 2016** respectively and the recommendations accepted.

3.0 Findings of the Review

3.1 The key themes and findings of the stage 1 and stage 2 reviews were as follows:

- The City's health services are facing a number of significant challenges. Health outcomes for the population are generally poor and in many instances are the worst in the country. All hospitals in the City are facing staff recruitment difficulties, and existing financial pressures and future efficiency requirements are significant. Without action, this situation is only likely to worsen.
- The three acute hospital complexes in the City are each run by separate NHS organisations. The different hospitals have different mixes of specialist and general services, different priorities and different ways of working. This has led to duplication, indeed triplication in some services, variations in clinical outcomes, variation in patient experience and access to services.
- The review identified that there currently exists an unacceptable level of variation in clinical outcomes, patient experience and access to hospital services across the City. Patients who live within 10 miles of each other, and who have the same severity of the same condition, are less likely to survive, or more likely to stay in hospital for an unduly long time, depending on where they live and the part of the system that they first attend.
- To maintain the status quo in the way hospitals work would result in a failure to deliver the Manchester Locality Plan, which clearly identifies that there needs to be a marked change to the way that health care is delivered within the City. The existing organisational arrangements cannot be expected to deliver this change.
- Improving co-operation between the hospital sites is essential, if the current difficulties are to be resolved. The model of separate Trusts, delivering similar services in competition with each other, has demonstrably failed to deliver improved quality or efficiency.
- The benefits of a Single Hospital Service cover a range of areas including quality of clinical care, patient experience and access, workforce recruitment and training and research and innovation opportunities.
- There are a series of 'enablers' that need to be in place to ensure that these benefits are delivered. The most essential of these requirements is an organisational structure that can deliver all the required level of change.
- The review has considered a range of organisational models and has concluded that the creation of a new hospital Trust provides the best opportunity to realise these benefits. The new organisation would provide a cohesive identify for hospital services in the City.

- The coming together of acute hospital services, into a new organisation, will provide the best opportunity for ensuring that all services are raised to the standard of the best. The resulting organisation would provide a clarity of leadership and the decision-making authority to ensure current variation in hospital services is addressed.
- Collaboration with the new Local Care Organisation would be enhanced. A new Trust would form an exciting and innovative organisation, with which all staff could align, and would help reinforce Manchester's position as a major Academic Health Centre.
- The creation of a new hospital Trust within the City will require a great deal of management capacity and capability and the resource required to bring about the proposed organisational change should not be underestimated.
- There is a need to focus on delivering real and meaningful change to the health and wellbeing of people in Manchester. Although organisational form is important, the prize that Manchester should be reaching for is the clinical transformation that will deliver the real benefits to the local population, and the success of a Single Hospital Service will be judged by the impact it has on the quality and provision of clinical services across the City.
- A new hospital Trust within the City would provide the appropriate structure, authority and accountability to ensure that this clinical transformation takes place, but all must acknowledge that organisational change is simply the means to an end.

4.0 Next Steps

- 4.1** Following approval by the HWBB at its meeting on 8th June 2016, the 3 Trusts are required to commence discussions and provide an initial assessment on implementation requirements and timescale. The Trusts are required to report back to the HWBB on the outcomes of these discussions within 6 weeks.
- 4.2** Alongside this work has been undertaken identifying the potential one off investment required to implement the findings of the review. On this basis an initial investment proposition has been submitted to the Greater Manchester Transformation Fund to release resources. This proposition is currently being considered through the appropriate mechanisms for governing transformation fund.

5.0 Contributing to the Manchester Strategy

(a) A thriving and sustainable city

- 5.1** The acute hospital sector in Manchester is a major employer of staff (approximately 40,000) and a significant contributor to the local economy.

(b) A highly skilled city

- 5.2 Working together integrated hospital services would assist Manchester in establishing its rightful place as a major academic health centre providing the best in clinical care, education and research opportunities

(c) A progressive and equitable city

- 5.3 Opportunities for training/education will be strengthened for staff working across the sector.

Additionally, regardless of where residents live, the proposal will provide the best opportunity for ensuring all clinical services are raised to the standard of the best enabling more residents to benefit from high quality care..

(d) A liveable and low carbon city

- 5.4 The proposal will optimise the productivity of the clinical services and resources while also maximising the use of the facilities available.

(e) A connected city

- 5.5 Manchester offers areas of world class clinical expertise. This proposal seeks to build upon that and extend it's reputation in order to attract investment through research and development opportunities.

6.0 Key Policies and Considerations

(a) Equal Opportunities

- 6.1 This strategy will ensure that regardless of where people live they will have the opportunity to benefit from clinical services that are raised to the standard of the best in the city.

(b) Risk Management

- 6.2 A high level assessment of strategic risks and mitigation has been undertaken and will form part of the risk register of the Locality Plan.

(c) Legal Considerations

- 6.3 There are no legal consideration for the Council as the organisations affected are the 3 NHS organisations.