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**Manchester City Council  
Report for Information**

**Report to:** Health Scrutiny Committee – 21 July 2016

**Subject:** City of Manchester Single Hospital Service

**Report of:** Matt Graham, Director of Strategy & Business Development, UHSM, Stephen Gardner, Director of Strategic Projects, CMFT and Sandra Good, Director of Strategy & Commercial Development, PAT

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**Summary**

The City of Manchester Single Hospital Service will bring together the hospital services currently provided by University Hospital of South Manchester NHS Foundation Trust (UHSM), Central Manchester University Hospitals NHS Foundation Trust (CMFT) and the services provided at North Manchester General Hospital (NMGH) by Pennine Acute Hospitals NHS Trust (PAT). The Single Hospital Service Review, led by Sir Jonathan Michael, concluded that a number of benefits could be realised by developing a single hospital service for the City and that creating a new, single organisation to deliver hospital services would provide the best opportunity to successfully realise the benefits for patients. The Manchester Health and Wellbeing Board strongly supported the review's conclusions. The three trusts are now completing an initial assessment of the implementation requirements which will be presented to the Health and Wellbeing Board on 22 July.

**Recommendation**

That the committee notes the development of the City of Manchester Single Hospital Service.

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**Wards Affected: All**

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**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

None

| <b>The three pillars of delivery</b>   | <b>Summary of the contribution to the Manchester Health and Social Care Locality Plan</b>   |
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| <p>A single commissioning system ensuring the efficient commissioning of health and care services on a city wide basis with a single line of accountability for the delivery of services</p> | <p>A coherent and strong commissioning function is a pre-requisite for the effective commissioning of a transformed health and care system in Manchester and is a key lever for the effective delivery of the ambitions contained in the Locality Plan.</p>   |
| <p>'One Team' delivering integrated and accessible out of hospital community based health, primary and social care services</p>  | <p>'One Team', delivered through a Locality Care Organisation, will reduce the fragmentation of the delivery of care currently and enable the delivery of care in lower acuity settings and closer to people's homes. GPs will be central to the co-ordination and delivery of care at a neighbourhood level.</p>   |
| <p>A 'Single Manchester Hospital Service' delivering consistent and complementary arrangements for the delivery of acute services achieving a fully aligned hospital model for the city</p>  | <p>A Single Hospital Service Model which will contribute to the delivery of the Locality Plan through providing benefits in the areas of:</p> <ul style="list-style-type: none"> <li>- Quality of care</li> <li>- Patient experience</li> <li>- Workforce</li> <li>- Finance and operational efficiency</li> <li>- Research and innovation</li> <li>- Education and training</li> </ul> |

## CITY OF MANCHESTER SINGLE HOSPITAL SERVICE

### 1. Background

In December 2015 the Manchester Health and Wellbeing Board (HWBB) agreed that Central Manchester University Hospitals NHS Foundation Trust (CMFT), University Hospital of South Manchester NHS Foundation Trust (UHSM) and Pennine Acute Hospitals NHS Trust (PAT) should work in partnership to develop and deliver a single hospital service for the city of Manchester. The single hospital service covers the services provided by CMFT, UHSM and by PAT from North Manchester General Hospital (NMGH).

The development of a single hospital service is one of the three pillars of the Manchester Locality Plan, alongside a single Local Care Organisation to provide integrated out-of-hospital care and establishing one clear voice for the commissioning of health and social care services in the City. These pillars will transform the health and care system in Manchester in order to improve the health and wellbeing of the City's population.

In response to the HWBB, the three trusts established an independent review of hospital services in the City, the Single Hospital Service Review, led by a highly respected clinician and chief executive, Sir Jonathan Michael, supported by the management consultancy firm McKinsey. The Review was designed to be completed in two stages, first an assessment of the benefits of a single hospital service, and second identification of the most appropriate governance and organisational arrangement to deliver the benefits. The first stage report was considered by the HWBB in April 2016 with the final report being considered on 8 June 2016.

### 2. Single Hospital Service Review

#### a. Approach.

To oversee the Single Hospital Service Review the three trusts established a Steering Group, chaired by Sir Jonathan, which included the Chief Executive, Medical Director and other relevant directors from each trust. This group met fortnightly throughout the review.

The group quickly identified that it would not be possible in the time available to review every clinical specialty provided by the three trusts so, based on analysis by McKinsey, eight "exemplar" specialties were selected as representative of the wide range of services provided by the trusts. The eight exemplars were:

- Cardiothoracic services
- Respiratory services
- Rheumatology
- Infectious Diseases
- Secondary Paediatrics

- Obstetrics
- Critical Care
- Radiology

Over the course of three clinical working groups over 140 clinicians from across the eight specialties and all three trusts developed proposals for how services could be improved by increased collaboration in “single services”. The single service models considered ranged from relatively loose networks, through a single team working across multiple sites, to consolidation of a service onto a single site. The benefits identified were classified into six themes: quality of care; patient experience; workforce; operational and financial efficiency; education and training; and research and innovation. Key enablers which were required to realise the benefits, such as interoperable IT systems, were also identified.

Alongside the extensive clinical engagement to develop the benefits of a single hospital service, Sir Jonathan also met and wrote to a wide range of internal and external stakeholders including other hospital trusts, the GM Devolution team, local authority executives and politicians, CCGs and MPs.

**b. Stage 1 Report.**

The Stage 1 Report identified that health and social care services in Manchester are currently facing significant challenges which need to be addressed as a matter of urgency. Population health outcomes in Manchester are poor, in some cases the worst in England. Hospital care across the city is fragmented resulting in unacceptable variations in the provision and quality of care provided. All three trusts are facing workforce, operational and financial challenges. It concluded that a number of benefits could be realised by developing a single hospital service for the City and that to realise these benefits successfully a number of enablers, such as clear leadership, common IT, and single human resources processes, needed to be in place. Appendix 1 summarises the benefits identified and the full report can be accessed via the Manchester HWBB website<sup>1</sup>.

**c. Stage 2 Report.**

The Stage 2 Report built on the conclusion of Stage 1 that a single hospital service should be established for the City of Manchester to consider the most appropriate governance and organisational form to deliver the benefits identified in Stage 1. Sir Jonathan considered a range of potential organisational structures that are currently in use either in the NHS or in

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<sup>1</sup>

[http://www.manchester.gov.uk/download/meetings/id/20700/6\\_single\\_hospital\\_service\\_review](http://www.manchester.gov.uk/download/meetings/id/20700/6_single_hospital_service_review)

other health systems internationally. Appendix 2 summarises the seven options that were considered. Each option was assessed for the extent to which it allowed the enablers to be put in place and the benefits realised. The reports very clear conclusion was that establishing a new acute NHS provider organisation, encompassing the full range of services provided by CMFT and UHSM, and the services provided at NMGH, would provide the best opportunity to successfully achieve a single hospital service and realise the benefits for patients and Manchester residents.

The report recommended that the three trusts should enter into discussions to consider the creation of such an organisation and to provide an initial assessment of the implementation requirements and timescales back to the HWBB in 6 weeks. The full report can be accessed via the HWBB website<sup>2</sup>.

### 3. Current Phase.

#### a. Health and Wellbeing Board Response

At its meeting on 8 June, the Health and Wellbeing Board strongly welcomed and supported the Review's conclusion that a single, new NHS provider organisation should be established to provide hospital services for Manchester. It accepted the review's recommendations and asked the trusts to provide, within 6 weeks, an initial assessment of implementation requirements and associated timescales. The Trusts are now finalising their response which will cover:

- the vision and purpose of the programme;
- the transactional processes and regulatory approvals that will be required to create a new organisation;
- the potential timeline;
- how the programme will work with stakeholders;
- developing a clinical strategy for the new organisation; and
- programme governance.

The response will be published on 15 July for discussion at the Health and Wellbeing Board on 22 July, the day after the Health Scrutiny Committee.

#### b. Programme Mobilisation

In parallel to developing the response to the Health and Wellbeing Board, the Trusts are already mobilising the programme. NHS Improvement (the regulator for NHS provider organisations) has committed to prioritise this programme and provide advice and direct support to ensure its success. A highly experienced, senior NHS leader currently working for NHS Improvement, Peter Blythin, has been appointed as programme director and an investment proposal has been made to the Greater Manchester

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<sup>2</sup> [http://www.manchester.gov.uk/download/meetings/id/20893/5b\\_single\\_hospital\\_service](http://www.manchester.gov.uk/download/meetings/id/20893/5b_single_hospital_service)

Transformation Fund to resource the programme team. In anticipation of a positive response to the proposal potential team members and professional advisors (legal, commercial etc) are being identified.

**Appendices:**

1. Single Hospital Service Benefits
2. Potential organisational forms

## Appendix 1 – Single Hospital Service Benefits

|   |  |
|---|--|
| <b>Quality of Care</b>                      | <ul style="list-style-type: none"> <li>• <i>Reduce variation in the effectiveness of care</i></li> <li>• <i>Develop appropriately specialised clinicians and reduce variation in the access to specialist care, equipment and technologies</i></li> <li>• <i>Reduce variation in the safety of care</i></li> </ul>   |
| <b>Patient Experience</b>                   | <ul style="list-style-type: none"> <li>• <i>Provide more co-ordinated care across the City (and reduce fragmentation)</i></li> <li>• <i>Enhance the work of the Local Care Organisation to transfer care closer to home</i></li> <li>• <i>Improve access to services and reduce duplication (and thus unnecessary trips to hospital)</i></li> </ul>  |
| <b>Workforce</b>                            | <ul style="list-style-type: none"> <li>• <i>Improve the recruitment and retention of a high quality and appropriately skilled workforce</i></li> <li>• <i>Support the requirement to provide a seven day service</i></li> <li>• <i>Reduce the reliance on bank and locum/agency staff</i></li> <li>• <i>Support teams to meet the needs of current and future demand for services</i></li> </ul> |
| <b>Financial and operational efficiency</b> | <ul style="list-style-type: none"> <li>• <i>Reduce staff costs through improvement in productivity and changes in skill mix</i></li> <li>• <i>Limit future capital outlay and ongoing fixed costs assets</i></li> <li>• <i>Improve operational performance</i></li> </ul>  |
| <b>Research and Innovation</b>              | <ul style="list-style-type: none"> <li>• <i>Increase research activity and income</i></li> <li>• <i>Create a single point of entry to all clinical trials therefore improving access</i></li> <li>• <i>Ensure new research and best practice guidelines are implemented consistently to improve services</i></li> </ul>  |
| <b>Education and Training</b>               | <ul style="list-style-type: none"> <li>• <i>Optimise curriculum delivery, clinical exposure and reduce the variability in student and trainee experience</i></li> <li>• <i>Widen student and trainee exposure to different clinical environments</i></li> <li>• <i>Enhance the reputation of Manchester as a place to come to be trained and to work</i></li> </ul>                              |

## Appendix 2 – Potential Organisational Forms

| Level of ownership change                         | Operational description                 |   |
|---|---|---|
| Minimal (i.e., agreement between local providers) | 1 Network                               | <ul style="list-style-type: none"> <li>▪ Creating a provider network entails coordinating resources for a particular service, so that specialised workforce provides care across selected sites</li> <li>▪ Trusts maintain full operational and financial responsibility</li> </ul>   |
|   | 2 Prime Contractor                      | <ul style="list-style-type: none"> <li>▪ The prime contractor takes responsibility for designing a delivery model and patient pathway that will most effectively meet the terms of the contract. It uses the terms of the sub-contracts to stimulate and incentivise the necessary behaviours and performance it wishes to see across other providers.</li> </ul> |
|   | 3 Franchise model                       | <ul style="list-style-type: none"> <li>▪ A trust responsible for clinical service(s) across multiple sites</li> <li>▪ Franchisee employs staff based at sites and retains operational control</li> <li>▪ Often applied to specialised services; or emergency care</li> <li>▪ Requires additional contractual agreements within service line</li> </ul>            |
|   | 4 Joint venture                         | <ul style="list-style-type: none"> <li>▪ Activity is pooled across multiple providers and delivered at a single or select sites e.g. Elective Centre</li> <li>▪ Can be done at service level or more broadly e.g. all elective IP</li> <li>▪ Requires additional contractual agreements</li> </ul>  |
|   | 5 Hospital chain                        | <ul style="list-style-type: none"> <li>▪ Trusts come together to form hospital groups</li> <li>▪ Hospitals maintain local operational independence, but the group takes strategic decisions e.g. on investment, asset management and strategic service changes</li> </ul>   |
|   | 6 Creation of a single new organisation | <ul style="list-style-type: none"> <li>▪ Combination of 2 or more trusts into a new entity, including single board, governance and unified back office support</li> </ul>   |